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Foreign Relations of the United States 1949

Volume II

The United Nations;
The Western Hemisphere



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PREFACE

This volume was prepared under the direct supervision of S. Everett Gleason, former Chief of the Foreign Relations Division, and Fredrick Aandahl, the present Chief, with the assistance of Ralph R. Goodwin in planning and direction.

Mr. Goodwin prepared the sections on the United Nations and international law. John P. Glennon prepared the sections on the American republics, except for Uruguay and Venezuela, which were done by David W. Mabon. David H. Stauffer prepared the section on Canada. Margaret G. Martin and Ruth M. Worthing provided editorial and research assistance.

The editors acknowledge with appreciation the assistance provided them by the historians of the Department of Defense, including the Joint Chiefs of Staff. They are also grateful for the cooperation of the Department of Defense and the Central Intelligence Agency, which concurred in the declassification of various papers for release herein.

The technical editing of this volume was the responsibility of the Publishing and Reproduction Division, Willard M. McLaughlin, Chief. The index was prepared by Francis C. Prescott.

WILLIAM M. FRANKLIN
Director, Historical Office
Bureau of Public Affairs

PRINCIPLES FOR THE COMPILATION AND EDITING OF "FOREIGN RELATIONS"

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 2 FAM 1350 of June 15, 1961, a revision of the order approved on March 26, 1925, by Mr. Frank B. Kellogg, then Secretary of State. The text of the regulation, as further amended, is printed below :

1350 DOCUMENTARY RECORD OF AMERICAN DIPLOMACY

III

270583

1351 *Scope of Documentation*

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. These volumes include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts which contributed to the formulation of policies. When further material is needed to supplement the documentation in the Department's files for a proper understanding of the relevant policies of the United States, such papers should be obtained from other Government agencies.

1352 *Editorial Preparation*

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States* is edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

- a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
- b. To condense the record and avoid repetition of needless details.
- c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
- d. To avoid giving needless offense to other nationalities or individuals.
- e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department before the decision was made.

1353 *Clearance*

To obtain appropriate clearances of material to be published in *Foreign Relations of the United States*, the Historical Office:

- a. Refers to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
- b. Refers to the appropriate foreign governments requests for permission to print as part of the diplomatic correspondence of the United States those previously unpublished documents which were originated by the foreign governments.

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LIST OF ABBREVIATIONS AND SYMBOLS

EDITOR'S NOTE.—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

AEC, Atomic Energy Commission
AFL, American Federation of Labor
agam, airgram
AmEmb, American Embassy
AP, Associated Press
APRA, *Alianza Popular Revolucionaria Americana* (Peru)
ARA, Office of American Republic Affairs (after October 3, 1949, Bureau of Inter-American Affairs), Department of State
ASYG, Assistant Secretary-General of the United Nations
AT, anti-tank
BA, Buenos Aires
BC, Division of British Commonwealth Affairs, Department of State
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
BR, Division of Brazilian Affairs, Department of State
C, Office of the Counselor, Department of State
CA, Division (after October 3, 1949, Office) of Chinese Affairs, Department of State
CAB, Civil Aeronautics Board
CADE, *Compañía Argentina de Electricidad*
Cantel, series indicator for telegrams from branch of the United States Embassy in China at Canton
CCA, United Nations Commission for Conventional Armaments
CCC, Commodity Credit Corporation
CCP, Chinese Communist Party
CFM, Council of Foreign Ministers
C.F.R., *Code of Federal Regulations*
CIMA, *Compañía Independiente Mexicana-Americana*

circagam, circular airgram
cirtel, circular telegram
COAS, Council of the Organization of American States
CON, Office of Controls, Department of State
Copre, series indicator for telegrams from the United States Delegation to the Preparatory Commission of the United Nations which met at London, November 24–December 23, 1945; and from the Executive Committee of the Preparatory Commission which met also at London, August 16–November 23, 1945
COS, Companies
CP, Division of Commercial Policy (after October 3, 1949, Commercial Policy Staff), Department of State
CP's, Contracting Parties
CPA, Division of Central America and Panama Affairs, Department of State
CRB, Division of Caribbean Affairs, Department of State
CTAL, *Confederación de Trabajadores de América Latina* (Confederation of Latin American Workers)
DA, Dependent Areas
DelGA, United States Delegation at the Fourth Regular Session of the United Nations General Assembly, September–December, 1949; also **Delga**, series indicator for telegrams from the United States Delegation
Deltel, Delegation telegram
Depcirtel, Department of State circular telegram
Deptcircinstr, Department of State circular instruction

- Deptel**, Department of State telegram
E, Office of the Assistant Secretary of State for Economic Affairs
EC, Office of East Coast Affairs, Department of State
ECA, Economic Cooperation Administration
ECOSOC, Economic and Social Council of the United Nations
ED, Division of Investment and Economic Development (after October 3, 1949, Investment and Economic Development Staff), Department of State
EE, Division (after October 3, 1949, Office) of Eastern European Affairs, Department of State; Eastern European
Emb, Embassy
Embdes, Embassy despatch
Embtel, Embassy telegram
ERP, European Recovery Program
EUR, Office (after October 3, 1949, Bureau) of European Affairs, Department of State
Exim (Eximbank), Export-Import Bank of Washington
FAO, Food and Agriculture Organization
FASC, Foreign Assistance Steering Committee
FCN, Friendship, Commerce, and Navigation (Treaty)
FE, Office (after October 3, 1949, Bureau) of Far Eastern Affairs, Department of State
FN, Division of Financial Affairs, Department of State
FonMin, Foreign Minister (Ministry)
FonOff, Foreign Office
forurinfo, for your information
G-2, Army general staff section dealing with intelligence at the divisional or higher level
GA, General Assembly of the United Nations
GaDel, United States Delegation at the Fourth Regular Session of the United Nations General Assembly, September-December, 1949; also Gadel, series indicator for telegrams to the United States Delegation
GATT, General Agreement on Tariffs and Trade
GC, General Committee of the General Assembly of the United Nations
GOI, Government of India
H, Office of the Assistant Secretary of State for Congressional Relations
H. J. Res., House of Representatives Joint Resolution
HR, designation for legislation introduced in the House of Representatives
IA, Division of Special Inter-American Affairs, Department of State
IA-ECOSOC, Inter-American Economic and Social Council
IAPC, Inter-American Peace Committee
IAPI, *Instituto Argentino de Promoción del Intercambio* (Argentine Trade Promotion Institute)
IBRD, International Bank for Reconstruction and Development
IC, Interim Committee of the United Nations General Assembly
ICAO, International Civil Aviation Organization
ICJ, International Court of Justice
IIAA, Institute of Inter-American Affairs
ILC, International Law Commission of the United Nations General Assembly
ILO, International Labor Organization
IMF, International Monetary Fund
infotel, information telegram
INP, Division of International Press and Publications, Department of State
instr, instruction
IR, International Resources Division, Department of State
IRCA, International Railways of Central America
Itcols, former Italian colonies
ITO, International Trade Organization
ITP, Office of International Trade Policy, Department of State
ITT, International Telephone and Telegraph Corporation
JCS, Joint Chiefs of Staff
L, Office of the Legal Adviser, Department of State
L/T, Assistant Legal Adviser for Treaty Affairs in the Office of the Legal Adviser, Department of State

L/UNA, Assistant Legal Adviser for United Nations Affairs in the Office of the Legal Adviser, Department of State

L-L, lend-lease

LA, Latin America

MA, Division of Mexican Affairs, Department of State

MAP, Military Assistance Program

MexAmb, Mexican Ambassador

MID, Office of Middle American Affairs, Department of State

MNR, *Movimiento Nacional Revolucionario* (Nationalist Revolutionary Movement), Bolivian political party

MP, Member of Parliament

MPR, Mongolian People's Republic

mydesp, my despatch

mytel, my telegram

NA, North Atlantic

NAC, National Advisory Council on International Monetary and Financial Problems

NAT(O), North Atlantic Treaty (Organization)

NEA, Office of Near Eastern and African Affairs (after October 3, 1949, Bureau of Near Eastern, South Asian, and African Affairs), Department of State

NGO, nongovernmental organization(s)

niact, night action, communications indicator requiring attention by the recipient at any hour of the day or night

NME, National Military Establishment

NSC, National Security Council

NSRB, National Security Resources Board

NWC, Division (after October 3, 1949, Office) of North and West Coast Affairs, Department of State

OARS, Other American Republics

OAS, Organization of American States

OEEC, Organization for European Economic Cooperation

OFD, Office of Financial and Development Policy, Department of State

Panagra, Pan American Grace Airways

PAR, *Partido Acción Revolucionaria* (Party of Revolutionary Action), Guatemalan political party

PBY, Naval patrol bomber

PED, Petroleum Division (after October 3, 1949, Petroleum Policy Staff), Department of State

Pemex, *Petroleos Mexicanos*, a Mexican Government agency responsible for management of the Mexican petroleum industry

PIR, *Partido Izquierdista Revolucionario* (Party of the Revolutionary Left), Bolivian political party

PL, Division of Public Liaison, Department of State

PL, Public Law

PM, Prime Minister

Preco, series indicator for telegrams to the United States Delegation to the Preparatory Commission of the United Nations which met at London, November 24–December 23, 1945, and to the Executive Committee of the Preparatory Commission which met also at London, August 16–November 23, 1945

PUSR, *Partido de la Unión Socialista Republicana* (Republican Socialist Union Party), Bolivian political party

reDeptel (refDeptel), regarding (reference) Department of State telegram

reEmbtel, regarding Embassy telegram

reftel, reference telegram

remytel, regarding my telegram

reurtel, regarding your telegram

RFC, Reconstruction Finance Corporation

RPA, Division of River Plate Affairs, Department of State

S, Office of the Secretary of State

S/P, Policy Planning Staff, Department of State

S/S, Executive Secretariat, Department of State

SAMF, *Sindicato de Acción y Mejoramiento de los Ferrocarrileros* (Railwaymen's Action and Improvement Union), in Guatemala

SC, Security Council of the United Nations

- SCI**, Special Committee on Information Transmitted under Article 73(e) of the Charter of the United Nations
- SEC**, Securities and Exchange Commission
- S. J. Res.**, Senate Joint Resolution
- SOA**, Division (after October 3, 1949, Office) of South Asian Affairs, Department of State
- SoAfr**, South Africa
- SOFINA**, *Sociedad Financiera Argentina*
- SYG**, Secretary-General of the United Nations
- TA**, trade agreement
- TAC**, Interdepartmental Trade Agreements Committee
- TC**, Trusteeship Council of the United Nations
- Telcan**, series indicator for telegrams to branch of the United States Embassy in China at Canton
- TIAS**, Treaties and Other International Acts Series
- U**, Office of the Under Secretary of State
- UKDel**, United Kingdom Delegation
- UKG**, United Kingdom Government
- UKUN**, United Kingdom Mission at the United Nations
- UM**, designation for documentation circulated in the Under Secretary of State's Meetings
- UK**, United Nations
- UNA**, Office (after October 3, 1949, Bureau) of United Nations Affairs, Department of State
- UND**, Division (after October 3, 1949, Office) of Dependent Area Affairs, Department of State
- UNESCO**, United Nations Educational, Scientific, and Cultural Organization
- UNGA**, United Nations General Assembly
- UNI**, International Administrative Staff (after October 3, 1949, Division of International Administration), Department of State
- UNLC**, United Nations Liaison Committee, Department of State
- UNO**, United Nations Organization
- UNP**, Division of United Nations Political Affairs (after October 3, 1949, Office of United Nations Political and Security Affairs), Department of State
- UNRRA**, United Nations Relief and Rehabilitation Administration
- UNSCOB**, United Nations Special Committee on the Balkans
- UP**, United Press
- urdes**, your despatch
- urinfo**, your information
- urlet**, your letter
- urtel**, your telegram
- USA**, United States Army
- USAF**, United States Air Force
- USDel**, United States Delegation
- USG**, United States Government
- USGAdel**, United States Delegation at the United Nations General Assembly
- USN**, United States Navy
- USRep**, United States Representative
- UST**, *United States Treaties and Other International Agreements*
- USUN**, United States Mission at the United Nations; also Usun, series indicator for telegrams from the United States Mission
- VD**, Visa Division, Department of State
- Weeka**, weekly, inter-agency summary analysis from United States diplomatic missions
- WFTU**, World Federation of Trade Unions
- WHO**, World Health Organization
- YPF**, *Yacimientos Petrolíferos Fiscales*, an Argentine Government petroleum agency

THE UNITED NATIONS

ORGANIZATION AND ARRANGEMENTS FOR THE CONDUCT OF UNITED STATES RELATIONS WITH THE UNITED NATIONS ¹

Editorial Note

On February 7, 1949, Dean Rusk, head of the United Nations operational area in the Department of State from February 1947, either as Director of the Office of Special Political Affairs or as Director of the Office of United Nations Affairs, was confirmed by the Senate as Assistant Secretary of State (Department of State *Bulletin*, February 27, 1949, page 271). Although subsequently designated by Departmental order as Assistant Secretary "for United Nations Affairs", Mr. Rusk in fact in the weeks that followed progressively disengaged himself from the United Nations operational scene and in effect came to function as a deputy under secretary of state for political affairs. This change in Mr. Rusk's status took place against the background of a reorganization of the Department which gradually took shape as the year proceeded, and his own position was regularized when his designation as Deputy Under Secretary of State "for substantive affairs" was announced by the Department on June 5 (*ibid.*, June 5, 1949, page 734).

Within the United Nations area itself the situation was hardly less ambiguous. From February 1949 Durward V. Sandifer, Deputy Director of the Office of United Nations Affairs under Mr. Rusk, 1947-1949, functioned as Acting Director, though this position was never formalized. Also no Acting Deputy Director was ever designated, although William Sanders, who held the position of Special Assistant to the Director, was "understood" to be performing *ad hoc* the duties of deputy director during this period.

With the announcement on July 8 of the appointment of John D. Hickerson as Assistant Secretary of State for International Organization Affairs and of Mr. Sandifer as Deputy Assistant Secretary, the situation was seemingly clarified (*ibid.*, July 18, 1949, page 78). When Mr. Hickerson took office on August 8, however, he was designated Assistant Secretary for United Nations Affairs, with responsibility for the Office of United Nations Affairs. As part of a general

¹ Continued from *Foreign Relations*, 1948, vol. I, pp. 1-20.

reorganization of the Department of State that Office was reconstituted effective October 3 as the Bureau of United Nations Affairs under the direction of Mr. Hickerson as Assistant Secretary and Mr. Sandifer as Deputy Assistant Secretary (Department of State *Bulletin*, October 31, 1949, page 677, and November 7, 1949, page 713). For a list of the organizational units of the new Bureau and the names of the officers in charge, see *ibid.*, November 7, 1949, pages 713-714.

501/2-749

The Secretary of State to the Speaker of the House of Representatives
(Rayburn)

WASHINGTON, February 7, 1949.

MY DEAR MR. SPEAKER: I am transmitting herewith a draft ¹ of a proposed bill to amend the United Nations Participation Act of 1945 ² which the Department recommends be enacted into law.

The proposed amendments to the United Nations Participation Act of 1945 have two purposes. Those amendments which modify existing provisions of the Participation Act are designed to provide greater flexibility in the United States representation in the Security Council, and additional assistance for our principal representative to the United Nations. The nature and increased volume of work of the United States Mission to the United Nations and the consequent demands of the time and energy of the United States Representative made necessary the proposed amendments. Specifically, the principal proposed amendments provide:

1. For the creation of a new position, that of Deputy United States Representative to the United Nations. The Representative and Deputy Representative to the United Nations shall be our number 1 and 2 representatives in the Security Council, and these two representatives may serve *ex officio* as United States Representative on any organ, commission, or other body of the United Nations.

2. That the salary of the Representative and Deputy Representative to the United Nations shall correspond to the rates paid to the Chiefs of Mission, Class I and II, respectively, as provided in the Foreign Service Act.

3. For the appointment by the President, by and with the advice and consent of the Senate, of an additional Deputy Representative in the Security Council. The President is authorized to designate any departmental officer of the Department of State whose appointment is subject to confirmation by the Senate, to serve temporarily in the Security Council in the case of absence or disability of the Representative and Deputy Representatives, or in lieu of such Representatives in connection with a specified subject matter.

¹ Not printed.

² Approved December 20, 1945, 59 Stat. 619.

4. Section 7 is renumbered Section 8 and is amended to clarify the existing language and to bring it into accord with related legislation governing the use of the appropriations.

The proposed legislation also adds a new Section 7 which would recognize the authority of the President to authorize the detail to the United Nations of personnel of the armed forces of the United States for non-combatant purposes, and the furnishing by the National Military Establishment of equipment and assistance in connection with official activities of the United Nations. This provision is necessary to clarify and supplement existing authority for participation by the United States in carrying out United Nations policies, such as the implementation and enforcement of the truce in Palestine, the activities of the Balkan, Korean and Kashmir Commissions, and similar activities essential to the settlement of international disputes and the fulfillment of the purposes of the United Nations.

A similar communication is being sent to the President of the Senate.

The Department has been informed by the Bureau of the Budget that there is no objection to the presentation of this proposal to the Congress for its consideration.³

Sincerely yours,

DEAN ACHESON

³ On February 25 Sen. Tom Connally, Chairman of the Senate Foreign Relations Committee, introduced S. 1073 which was referred to committee, and on March 1 Rep. Sol Bloom, Chairman of the Committee on Foreign Affairs of the House of Representatives, introduced H.R. 3085 which was also referred to committee.

501.BC/2-849

*Memorandum by the Secretary of State to the President*¹

[WASHINGTON,] February 8, 1949.

Due to the reassignment of Philip C. Jessup as Ambassador at Large, there now exist two vacancies in the United States Mission to the United Nations,² namely, Deputy Representative of the United States of America in the Security Council of the United Nations, and Deputy Representative of the United States in the Interim Committee of the General Assembly of the United Nations.

To fill these vacancies, I recommend, for your approval, the appointments of John C. Ross, now Deputy to the United States Representative to the United Nations to serve concurrently and without

¹ Approved by the President on February 10.

² The direction and administration of the United States Mission at the United Nations (USUN) was based on Executive Order No. 9844, April 28, 1947, 12 *Federal Register* 2765. According to this order the United States Representative at the United Nations was charged also with performing the duties of Chief of the United States Mission. The incumbent at this time was former U.S. Senator Warren R. Austin.

additional compensation as the Deputy Representative of the United States of America in the Security Council of the United Nations and Charles P. Noyes as Deputy Representative of the United States of America on the Interim Committee of the General Assembly of the United Nations. Mr. Noyes is to receive compensation at the rate of \$12,000 per annum. I also recommend that Mr. Ross be designated Deputy Chief of the United States Mission to the United Nations in the place of Mr. Jessup who has held this appointment also.

These appointments are in accordance with the provisions of Sections 2(b) and 2(d), respectively, of the United Nations Participation Act of 1945.

There are attached herewith for your signature the nomination of John C. Ross as Deputy Representative in the Security Council, plus a letter addressed to Mr. Ross as Deputy Chief of the United States Mission to the United Nations, and a letter addressed to Mr. Noyes as Deputy Representative on the Interim Committee of the General Assembly.³

DEAN ACHESON

³ Letters not printed. Actually Mr. Ross' nomination in this instance was never acted upon by the Senate as it was contingent upon passage of pending legislation amending the United Nations Participation Act of 1945. Developments regarding final enactment of this legislation in October 1949 are documented below; for Mr. Ross' subsequent nomination in October, see editorial note, p. 15.

501.BB/2-1749

Memorandum by the Assistant Secretary of State for United Nations Affairs (Rusk) to the Secretary of State

[WASHINGTON,] February 17, 1949.

Reference your question on the General Assembly Delegation for April.

The April session is a continuation of the Assembly which met in Paris.¹ It was decided between the Department and the Delegation that the same delegation would remain available for service in April but that only those who were actually needed for specific agenda items would be called back.

Mr. Dulles, Mrs. Roosevelt and Ben Cohen (all public members) submitted their resignations early in January in order that the President could make changes if he saw fit. The White House and the Department agreed that we should not accept those resignations and

¹ For documentation on the first part of the third regular session of the General Assembly, which met at Paris, September 21-December 12, 1948, see *Foreign Relations*, 1948, vol. I, pp. 289 ff.

the individuals concerned are aware that they are on a standby basis. The full list of the present official delegation is as follows:

<i>Delegates</i>	<i>Alternate Delegates</i>
Mr. John Foster Dulles	Mr. Ray Atherton
Senator Warren R. Austin	Mr. Willard Thorp
Mrs. Eleanor A. Roosevelt ²	Mr. Ernest A. Gross
Dr. Philip C. Jessup	Mr. Francis B. Sayre
Mr. Benjamin V. Cohen	Mr. Dean Rusk

The April session will deal with three conventions on freedom of information. These conventions were negotiated at a special conference held in Geneva during the past year. Since no present member of the Delegation is expert on this subject and since Mr. Erwin D. Canham of the *Christian Science Monitor* was at the Geneva conference and is highly regarded by the press, he is being asked to become an Alternate Delegate to deal with that subject. Since Mr. Gross' duties will keep him in Washington, Mr. Gross is resigning as Alternate in order to make way for Mr. Canham.

Since the assignment of subject matter to individual members of the Delegation will depend to some extent upon policy decisions now in process, it is not contemplated recommending a final assignment of subjects until about March 1.

Another decision to be made at the same time is whether Mr. John Foster Dulles should continue as acting head of the Delegation or whether Senator Austin should resume that role now that the latter has returned from sick leave.

DEAN RUSK

² Mrs. Anna Eleanor Roosevelt.

501.BB/3-1949

Memorandum by the Acting Director of the Office of United Nations Affairs (Sandifer) to the Assistant Secretary of State for United Nations Affairs (Rusk)

CONFIDENTIAL

[WASHINGTON,] March 19, 1949.

Subject: Desirability of Secretary's Attendance at April General Assembly Session

Discussion

At a meeting of the UNLC¹ on March 18 the view was expressed,

¹ The United Nations Liaison Committee was a Departmental committee which had been established in 1946 to coordinate policy planning on United Nations affairs on the working level. Though in 1946-1948 its formal membership consisted of some twenty members and five alternates representing a wide range of offices and divisions of the Department, the full committee met only "very infrequently" and by early 1948 its place had been taken generally by a small group made up of the four geographic offices and the Office of the Legal Adviser (L). It met every two weeks on a fairly regular basis. (Memorandum by George N. Monsma, ARA, January 25(?), 1949, 501.BB/1-2549)

and unanimously and vigorously supported, that it would be most desirable for the Secretary to be present at the opening of the Second Part of the Third Session of the General Assembly in New York, April 5, and to remain there for one or two days.

The following considerations are pertinent:

a. An American Secretary of State has been present at each regular session of the General Assembly, including both parts of the First Session. His presence symbolizes the importance we attach to the United Nations.

b. It would be useful for the Secretary to make the acquaintance of the large number of foreign ministers who will be present in New York, many of whom know him only by reputation, in this quick and easy fashion.

c. The Secretary has not participated in the activities of any United Nations organ and would gain a better conception of the spirit and operations of the Organization even from attendance at one or two plenary sessions.

d. If the Secretary visited New York on April 5, the foreign ministers who had signed the Atlantic Pact in Washington on the preceding day² would undoubtedly also attend. Their absence in whole or in part would certainly be the cause of some unfavorable comment.

e. Having seen the Secretary in New York, some of the foreign ministers who would otherwise have planned to visit him in Washington might refrain from doing so. In any event, the spectacle of a succession of chiefs of delegation proceeding from New York to Washington would be less subject to adverse comment if the Secretary had previously visited the General Assembly in New York.

Since the April session is regarded as a business meeting to consider the items remaining from the Paris agenda and those added subsequently, it is hoped that there will not be a prolonged general debate at the outset. Nevertheless, there will undoubtedly be short opening ceremonies at which the Secretary, representing the host nation, might appropriately make a very brief statement of welcome.

A suggested tentative itinerary is attached as Tab A.³

Recommendation

That the Secretary be asked to attend the opening meeting of the April General Assembly session and to remain, if possible, for at least two days.⁴

² For documentation on this subject, see vol. iv, pp. 1 ff.

³ Not printed.

⁴ In a memorandum to the Secretary of State on March 21 Mr. Rusk urged Mr. Acheson to accept, saying, "In years past, it has been of very great importance to our foreign policy for the Secretary of State to see a number of Foreign Ministers in connection with the Assembly. Secretary Marshall was particularly effective in this role." (501.BB/3-1749) The Secretary of State attended the opening meeting of the reconvened session of the General Assembly on April 5.

501.BB/3-2349

Memorandum by the Assistant Chief of the Division of United Nations Political Affairs (Popper) to the Acting Director of the Office of United Nations Affairs (Sandifer)

CONFIDENTIAL

[WASHINGTON,] March 23, 1949.

Mr. Wainhouse¹ and I have discussed with Mr. Raynor² and Mr. Kopper³ the question of how to organize working groups in the General Assembly Delegation to deal with the principal agenda items. We have had no difficulty in reaching agreement on the membership of such groups, but have had some trouble over the problem of who is to steer them and what the position of the political advisers is to be.

Our original suggestion had been to make one member of each group a steering member, and our original list contemplated using a UNA or a USUN adviser as steering member in most cases. (See first name under each heading on attached list of proposed working groups.⁴) We made exceptions, however, in the special cases of Spain (Mr. Raynor) and Freedom of Information (Mr. Free).

This list aroused some objection on the part of Messrs. Raynor and Kopper. They took the line that the steering members of groups dealing with political questions in the Assembly should be representatives of the political offices principally concerned with those problems. They held that NEA had a primary interest in the Italian Colonies and that therefore its representative on the working team should be the "policy adviser"—a term suggested by Mr. Kopper—and that the EUR representative should have a similar place as regards Spain and the Mindszenty case. They could not agree on who had the primary interest on the Indians in South Africa, so that some sort of a compromise would have to be worked out on that case.

The chief point at issue was whether the working groups on political problems should be headed up invariably by representatives of the geographic offices principally concerned. Mr. Raynor and to a lesser extent Mr. Kopper felt that at Paris these people, who should have carried out such functions, were at times thrust aside, could not reach the Delegates, were not consulted at working group meetings, and could not sit directly behind the Delegates in Committee.

¹David W. Wainhouse, Associate Chief of the Division of United Nations Political Affairs.

²G. Hayden Raynor, Special Assistant (for United Nations Affairs) to the Director of the Office of European Affairs.

³Samuel K. C. Kopper, Special Assistant (for United Nations Affairs) to the Director of the Office of Near Eastern and African Affairs.

⁴Not printed.

On our side we took the view that it was important to have one member of each group coordinate its work and, under the direction of the committee executive officer, ensure proper staff work for the delegate concerned with the question. We disagreed with Messrs. Kopper and Raynor as to the feasibility of separating out procedural functions and policy functions. We saw no reason why an officer from one of the Department's geographic offices should necessarily be the steering member of a group.

After a lengthy discussion we agreed on a tentative basis to try out the possibility of designating one member of a working group as coordinating officer, whose job it would be to see that the necessary work was done, while another man would be designated as Principal Policy Adviser, with the Delegation turning to him in the first instance for advice on policy questions. The attached list indicates the specific dispositions we had contemplated making under this plan.

We realize that this is not a very desirable solution in that it confuses lines of responsibility. Mr. Raynor's idea was that we would define the respective functions of the coordinating officers and the Principal Policy Advisers in a cover sheet attached to our final list of working groups.

Mr. Bancroft recalled to us last night that Mr. Rusk had felt strongly at Paris that Advisers on a Delegation were not present as representatives of their geographic offices but as members of a delegation instructed as a unit by the Department. We would assume that under this conception there would need to be only a single coordinator in each working group and that the decision as to who he should be should not depend on his position in the Department. While the coordinator should be fully familiar with the problem at hand, he should also be sufficiently well versed in General Assembly Delegation procedures to carry out his staff functions efficiently.

We understand that you wish to discuss this matter with Mr. Rusk, and we have informed Messrs. Raynor and Kopper that we will have to go over the matter with them again at a later date.

501.BB/3-3049 : Telegram

*The Secretary of State to the United States Representative at the
United Nations (Austin)*

[WASHINGTON,] March 30, 1949.

198. Please inform SYG composition U.S. Delegation Second Part
Third Session General Assembly as follows:¹

Representatives

Warren R. Austin, Chairman of Delegation
John Foster Dulles
Mrs. Franklin D. Roosevelt
Philip C. Jessup
Benjamin V. Cohen

Alternate Representatives

Ray Atherton
Willard L. Thorp
Dean Rusk
Francis B. Sayre
Erwin D. Canham

Advisers

Philip H. Bagby
Vice-Admiral Bernhard H. Bieri, USN
Benjamin H. Brown
Frank P. Corrigan
William A. Crawford
Lieutenant General
W. D. Crittenberger, USA
Samuel De Palma
William E. Dunn
Lloyd A. Free
O. Benjamin Gerig
Lieutenant General
H. R. Harmon, USAF
James N. Hyde
Louis K. Hyde, Jr.
Boris H. Klosson
Samuel K. C. Kopper
Kenneth Carl Krents
Robert I. Kull
Edward P. Maffitt
Charles P. Noyes
George H. Owen
Joseph Palmer II
David H. Popper
G. Hayden Raynor
John C. Ross
John E. Utter
David W. Wainhouse

¹ Regarding this session and its work, see p. 339.

Principal Executive Officer

David H. Popper

Assistant

Betty C. Gough

Assistant to Representatives

William H. A. Mills

Josephine Thompson

Malvina Thompson

Secretary-General

Richard S. Winslow

Deputy Secretary-General

Thomas F. Power

Special Assistant

Lee B. Blanchard

Information Officer

Porter McKeever

Assistants

Jeanne Singer

Gilbert W. Stewart

Marshall Shulman

Public Liaison Officer

Chester S. Williams

ACHESON

A/MS Files : ¹ Lot 54D291 (V), Box 53, "Passports and 9th Proviso"*Memorandum by the Acting Director of the Office of United Nations Affairs (Sandifer) to the Director of the Office of Controls (Boykin)*

[NEW YORK,] June 15, 1949.

Subject: Procedure for Instructing United States Representatives to the United Nations

The memorandum of June 9th from Mr. Power of USUN, copy of which was addressed to you as well as to this and other offices, regarding procedure for prior clearance of NGO representatives and New York telegram No. 706, dated June 10, 1949, both with reference to the memorandum of May 24, 1949, from VD to USUN,² indicate that there must be some lack of understanding of the established procedure for communication with the U.S. Mission in New York

¹ Consolidated administrative files of the Department of State for the years 1949-1960, as retired by the Management Staff, Deputy Under Secretary of State for Administration.

² None printed.

and for instruction of our Representatives to the United Nations. The use of memoranda and informal letters for communication by various parts of the Department with the Mission in New York is appropriate when the communication is on matters of information only, but when it provides instructions to our Representatives, it is essential that such instructions be cleared with all interested offices, including UNA, in accordance with the established practice in the Department and be transmitted as formal instructions to the Mission by letter or telegram.

I am sure that you are aware of the importance of clearing all instructions to the Mission in New York through this Office. The material contained in the memorandum to which reference is made obviously includes a statement of position which would require the issuance of an instruction to the Mission in New York and would require clearance in the Department. Until thus cleared and formally transmitted it has no effect as an instruction to the Mission.

D[URWARD] V. S[ANDIFER]

501.BB/8-1949

Memorandum by the Assistant Secretary of State for International Organization Affairs (Hickerson) to the Secretary of State

RESTRICTED

[WASHINGTON,] August 19, 1949.

[Subject:] Secretary's Participation in Fourth Regular Session of United Nations General Assembly

Discussion:

As the Secretary is aware, it is contemplated that, in accordance with the practice at other regular sessions of the United Nations General Assembly, he will attend the earlier portion of the forthcoming session, which opens on September 20, and will serve as Chairman of the United States Delegation during his presence in New York. According to present plans, the Delegation will meet in the Department on Monday and Tuesday, September 12 and 13, for consultation on important issues which will arise in the Assembly. The Delegation will assemble in New York on Monday, September 19.

Recommendations:

1. That the Secretary plan to attend as large a portion of the September 12-13 meetings as his schedule will permit. Every effort will be made to have questions of major political importance discussed when he can be present.

2. That the Secretary plan to be in New York on Tuesday and Wednesday, September 20 and 21, and that his schedule include:

a. Attendance at the opening session of the Assembly;

- b. Delivery of the United States statement in the general debate;¹
- c. Conversations, as appropriate and practicable, with Foreign Ministers attending the session; and
- d. A reception for ranking members of participating delegations and United Nations officials at which the Secretary would be host.

¹ For Mr. Acheson's general debate statement to the General Assembly on September 21, see United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, pp. 5-8.

501.BB/9-1549 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

WASHINGTON, September 15, 1949.

480. Following is official list USDel UNGA for communication SYG:

Representatives

The Secretary of State
 Warren R. Austin
 Philip C. Jessup
 Mrs. F. D. Roosevelt
 John Sherman Cooper

Alternate Representatives

Benjamin V. Cohen
 Charles Fahy
 Wilson M. Compton
 John D. Hickerson
 Mrs. Ruth B. Rohde

Advisers

Gordon Arneson
 Harding Bancroft
 Vice Admiral B. H. Bieri*
 Niles W. Bond
 Benjamin Brown*
 Philip M. Burnett
 John Cabot
 John C. Campbell
 William I. Cargo
 Lewis Clark
 Frank P. Corrigan*
 Boyd Crawford
 Lt. Gen. W. D. Crittenberger*
 Samuel DePalma

John C. Dreier
 Gerald Drew
 Edward Freers*
 David French
 Benjamin O. Gerig¹
 Joseph N. Greene, Jr.
 John B. Halderman
 William O. Hall
 Haldore Hanson
 Lt. Gen. H. R. Harmon*
 Harry N. Howard
 James N. Hyde*
 Louis Hyde*
 Edmund H. Kellogg

*From USUN. [Footnote in the source text.]

¹ O. Benjamin Gerig.

Advisers—Continued

Randolph A. Kidder
Samuel K. C. Kopper
Edward P. Maffitt*
John Maktos
Philip A. Mangano
Leonard Meeker
Frank C. Nash*
Harley Notter
Charles P. Noyes*
Frederick H. Osborn*
George H. Owen
A. Ogden Pierrot
David H. Popper
G. Hayden Raynor
John C. Ross*

Charles Runyon
William B. Sale
Joseph W. Scott
Joseph S. Sparks
Eric Stein
Leroy D. Stinebower
Jack B. Tate
Paul B. Taylor
John Utter
David Wainhouse
Bartlett H. Wells
Francis O. Wilcox
Fraser Wilkins
Charles Yost

Principal Executive Officer

David H. Popper

Assistants

Elizabeth A. Brown
Betty C. Gough

Assistants to Representatives

William H. A. Mills*
Neil Potter
Josephine V. Thompson*
Malvina Thompson

Secretary-General

Richard S. Winslow*

Deputy Secretary-General

Thomas F. Power, Jr.*

Special Assistants

Lee B. Blanchard*
Albert F. Bender, Jr.*

Information Officer

Porter McKeever*

Assistants

Arthur Kaufman
Marshall Shulman*
Gilbert Stewart*
Frederick Rope*
Jeanne Singer*

ACHESON

*From USUN. [Footnote in the source text.]

IO Files : US/A/1629

United States Delegation Working Paper

CONFIDENTIAL

[NEW YORK,] September 19, 1949.

ASSIGNMENTS OF REPRESENTATIVES AND ALTERNATE REPRESENTATIVES

Ambassador Austin	Chairman of Delegation (Security Council)
	General Committee
	Veto—Conference to Revise Charter
	Interim Committee Items
	Indonesia
	Report of Security Council
Assisted by Mr. Hickerson	Atomic Energy
	Conventional Armaments
Ambassador Jessup	Italian Colonies
	Palestine
	China (If put on agenda)
Mrs. Roosevelt	Committee 3
Mr. Cooper	Committee 5
	Field Service
	Membership
Mr. Cohen	Human Rights in Bulgaria, Hungary and Rumania
	Greece
	Committee 6
Dr. Compton	Committee 2
Mr. Fahy	Committee 4
	Korea
Mrs. Rohde	Relations with Non-Governmental Organizations
	Chairman Public Relations Committee
	<i>Ad Hoc</i> Assignments in Committee 2 and Joint Committee 2 and 3
Mr. Hickerson	Coordination of Political Liaison

811.032/9-2249

Memorandum by the Assistant Secretary of State for Congressional Relations (Gross) to the Acting Secretary of State

[WASHINGTON,] September 22, 1949.

This is a reminder regarding your plan to discuss with Senator Lucas the desirability of expediting action on the UN Participation Act Amendments.

The bill passed the House on July 18 (H.R. 4708). The Senate Foreign Relations Committee reported out a similar, but not identical,

bill on June 16 (S. 2093). This bill has been passed over [on] the consent calendar three times on objections by various Senators. The last objection was by Senator Taft on August 9. Taft misunderstood a certain portion of the bill and unfortunately Senator Connally was not on the floor at the time to correct him.

Senator Lucas is holding the bill on his list to bring up on motion at some appropriate time. It is anticipated that the bill might be disposed of with one hour's debate or less. The plan, as I understand it, is to take up S. 2093 and then to substitute H.R. 4708, thereby avoiding the necessity for a conference.

In pointing out the urgency of action on the matter, I suggest that you stress the situation in New York, the importance of action while the heavy work of the General Assembly is going on, and the desirability from our foreign policy standpoint of the Congress passing the bill during the General Assembly, particularly because of the section in the bill authorizing the President under certain conditions to furnish materiel and personnel to UN missions.¹

ERNEST A. GROSS

¹ The bill passed the Senate on October 6 and was approved by President Truman on October 10 as Public Law 341, "An Act to Amend the United Nations Participation Act of 1945" (63 Stat. 734).

Editorial Note

Nominations to the following positions, authorized in the new legislation, were made immediately by President Truman and confirmed by the Senate (October 14): Ernest A. Gross to be Deputy United States Representative to the United Nations with the rank of Ambassador (also to be Deputy United States Representative on the Security Council); John C. Ross to be Deputy United States Representative on the Security Council with the rank of Minister.

Policy Planning Staff Files

*Memorandum by the Director of the Policy Planning Staff (Kennan)
to the Secretary of State*

CONFIDENTIAL

[WASHINGTON,] November 14, 1949.

MR. SECRETARY: When you first spoke to me, nearly three years ago, about the idea of a Planning Staff,¹ you conceived it as one of its

¹ Information on the establishment and terms of reference of the Policy Planning Staff is included in documentation on national security policy in *Foreign Relations*, 1947, volume I.

functions to try to stand outside of current operations and point out the directions in which we were being carried over the long term. This memo, addressed to our participation in the United Nations Assembly, is conceived in that spirit.

My comments fall into three categories, dealing respectively with the nature of the Assembly as a forum for the transaction of international business, with the use we make of that forum, and with the composition and control of our delegation in New York.

1. *The Assembly as a medium for the projection of foreign policy.*

Since in the Assembly it is the majority which decides, it is important that we be entirely clear what the membership consists of.

There are at present 59 members. Fourteen more are cooling their heels as applicants awaiting admission. Seven others will probably soon join that category. We must therefore look forward to an eventual membership of at least 80.

There is of course no uniformity among the members. At present, they include great states, with huge resources and responsibilities, side by side with a whole series of entities each of which is actually less in significance than any one of our big cities. There is no criterion for membership related to population, resources, trade or any of the other realities of participation in international life. The only criterion for membership is that of general formal recognition as a sovereign and independent entity (even this has been departed from in the case of the Ukraine and Byelorussia). But this criterion is largely fortuitous. The events and circumstances by which entities achieve such recognition are many and diverse, and they have—for the most part—no particular connection with the ability of a given entity to take a responsible and constructive part in international life. Here remoteness, backwardness, some now meaningless historical circumstance, or even a sort of indifferent politeness may be just as important as anything else, by way of reason for recognition.

The U.N. Assembly therefore represents, in the main, a fortuitous collection of social entities which happen at this stage in human history to enjoy a wide degree of acceptance as independent states. Such lack of uniformity in the characteristics of entities recognized by international law is of course not new or peculiar to the U.N. But the traditional forms of diplomacy, particularly as were evolved in the 17th, 18th, and 19th Centuries, provided for a high degree of flexibility in the choice of modalities and forms for international accommodation, and therefore made it possible to give practical recognition to the important differences that do exist in the contributions which states are capable of making to the life of nations.

[Here follows an assessment of the current and potential voting strength of various blocs of members of the General Assembly.]

In summary, then, the Assembly of the United Nations represents a new theater of diplomatic operations, distinguished in several important ways from the settings in which international business has traditionally been transacted. Here all questions, regardless of whose responsibility is primarily engaged and of who must bear the main burden of execution, must be decided by a majority of a body of delegates representing 59 states, with equal votes. There is here no formal recognition of the actual differences in strength, seriousness or responsibility which distinguish the various sovereign governments. Whereas in traditional diplomatic practice, the opinions of interested states were consulted and given recognition in slow, deliberate processes which left plenty of time for reflection and plenty of room for flexibility in the preparation of decisions, here decisions, when they come, are instantaneous and final and represent the voting attitudes taken at the crucial moment by the countries concerned. Everything is staked, for better or for worse, on that particular moment. Such measures of precaution as may be taken in advance to assure a favorable outcome on a particular issue must proceed through a highly complex system of contact with the delegates of dozens of other countries, most of them far removed, administratively and geographically, from their home offices.

All this involves risks and strains not known in the traditional processes of diplomacy. The questions being treated in the U.N. Assembly are only the same old problems of adjustment between diverging or conflicting state interests which have always been the subject of diplomacy. They are here removed to a new, more complicated and more hazardous theater of operations.

2. Our policy with respect to the use of the Assembly.

This brings us to question how we should utilize the Assembly. Bearing in mind the distribution of voting strength in the Assembly we should, it seems to me, be extremely careful about what matters we urge or support for inclusion on the agenda.

First of all, we should not urge inclusion of matters in which we do not feel that the current consensus among the backward area groups would be helpful and constructive, according to our own analysis of the situation. There will be questions which it will be advisable for us to see come before the Assembly, either because the attitude of the backward area majority can be expected to be helpful and constructive or because there is some special reason for spreading responsibility for decision over the world community. There will be

other instances in which there will be no reason to believe that an Assembly majority decision would be helpful or constructive, and no reason why so wide a body should be asked to shoulder responsibility. In these cases, we should oppose the inclusion of the question on the agenda.

Secondly, where questions do, despite our opposition, find a place on the agenda, and where it is clear that our own analysis of the merits of the case will run counter to the reactions of the majority, we should not hesitate to stand in a minority position. It is better to be alone in being right than to be in company in being wrong. In the long run, we will have greater prestige in the international community if we preserve an uncompromising integrity of attitude in the U.N., even at the expense of taking a minority position in many matters, than we will if we try to frame or to trim our positions in such a way as to assure majority acceptance.

Thirdly, we should be careful of engaging the Assembly in the treatment of questions which are going to constitute dangerous precedents for Assembly agenda of the future. We should remember that our majority of today may well be our opposition of tomorrow, and we should refrain from taking advantage of our present customary majority in matters where we might be embarrassed if tables were to be turned on us at some future date. We must recognize, in this way, the undependable quality of the Assembly majority from the standpoint of many of our national interests.

In the fourth place, we should not, in my opinion, use the Assembly, or connive at its use, for the passage of general declamatory or hortatory resolutions which do not fix specific responsibility for action or envisage specific results. The reasons for this lie not so much in the distribution of voting power within the Assembly as in general soundness of diplomatic practice. All utterances of the government of a great state, including collective statements or resolutions with which it may associate itself, are commitments. The fewer such commitments, the better, particularly where they are of a general nature. There are very few general observations which can be made about the conduct of states which have any absolute validity at all times and in all cases. The few that might have such validity are almost invariably to be found in the realm of platitude. If this absolute validity is lacking, the chances are that the utterance in question will some day rise to haunt us in a context where it is no longer fully applicable. If, on the other hand, the utterance remains in the realm of platitude, then there is all the more reason why we should not associate ourselves with it. For it is plainly no service to the United Nations ideal to have the authority of the Assembly cheapened by the idle and rhetorical use

of its power of resolution. One of the best things we could do to enhance the authority of the Assembly would be to make sure that there is no expression of the opinion of the body which is not followed, or cannot at least be reasonably expected to be followed, by real consequences in the life of nations.

A second objection to the general resolution is that it nurtures a false concept of reality. There is prevalent in the United Nations milieu an illusion that the postures assumed by the Assembly in relation to various bodies of verbiage, as registered by the voting on general resolutions, are somehow the decisive events in world affairs. This turns the work of the Assembly, which should be addressed to real things, into a sort of parliamentary shadow-boxing: a competition in the striking of attitudes, in which the stance is taken for the deed, and the realities are inferred rather than experienced. This is a contest of *tableaux morts*: there is a long period of preparation in relative obscurity; then the curtain is lifted; the lights go on for a brief moment; the posture of the group is recorded for posterity by the photography of voting; and whoever appears in the most graceful and impressive position has won. It is like the traditional warfare of imperial China, in which the armies were marched up and down and arrayed against each other, with victory conceded to the side that turns out to occupy the superior position at the crucial moment, the actual fighting being dispensed with as unpleasant and redundant. If the general resolutions of the Assembly were given the same practical recognition in international life, this would indeed be a refined and superior manner of settling international differences. But since this is not the case, and since the realities pursue their stubborn path regardless of the parliamentary triumphs and disasters, the result is rather to confuse the public as to the real issues and—in the long run—to lend a certain touch of the ridiculous to the Assembly itself.

3. Composition and control of our U.N. Delegation.

One needs not spend much time in our Delegation headquarters in New York² to realize that he is not in a branch office of the State

² Mr. Kennan attended the meeting of the U.S. Delegation on November 8 at 9 a. m., at which time he was presented to the Delegation. "Mr. Kennan said that this was his first visit to the United Nations and he had only seen it in action for one day. For this reason, he was reluctant to make any comments. Obviously the United Nations practiced a different kind of diplomacy with a different set of values than that practiced in Washington or in the field. It was our task to find a common denominator between these types of diplomacy. He regarded the Assembly as an impressive and intensely interesting operation. In it, diplomacy had been taken to a new plane on which there were very interesting possibilities." (Master Files of the Reference and Documents Section, Bureau of International Organization Affairs (cited as "IO Files"), Minutes of the 28th meeting of the U.S. Delegation, November 8, 1949, document US/A/M (Chr)/122) (In 1971 all IO files relating to General Assembly matters, 1946-1965, were transferred to the Department of State Office Lot Files as Lot 71D440.)

Department, but in a sort of separate, pocket-edition Foreign Office, whose world of diplomacy is that of Lake Success and Flushing Meadows. It is unquestionably an American foreign office, and in so far as U.S. foreign policy, as practiced in Washington and New York, can and does flow from popular concepts about foreign policy common to our people at large, our U.N. delegation can be said to be moving in the same direction as the State Department. But where professional experience and understanding are concerned, where approach and methodology play a part, and where the problem is one of governmental leadership in the development of deeper and more subtle appreciations of foreign policy—there the connection stops, and we have two foreign offices instead of one.

The main reasons for this seem to me to be the following:

- (a) The theory that our U.N. delegation represents the people directly, as well as the President and State Department; and
- (b) The imperfect integration of UNA and the Delegation with the policy-conceiving and policy-developing functions of the Department.

With the considerations underlying the first of these reasons, I have no sympathy. I fail to find the faintest justification for the theory that when questions are handled in normal diplomatic forums they should be treated as an exclusively executive responsibility, but when handled in the U.N. should be looked upon as matters to which the public or Congress require some special and direct relationship through “public figures”, in addition to the regularly established relationships of government. The President is plainly charged by the Constitution with the conduct of foreign affairs. I know of no provision by which he is entitled to divest himself of any part of that responsibility—or place himself partly in the capacity of a benevolent observer with respect to a series of foreign policy problems at certain stages in their handling. This would be true even if there were some significant criterion by which questions coming before the U.N. might be distinguished from other questions of U.S. policy, from the standpoint of public interest and participation. But no such distinction exists; and it is evident that any differential treatment of questions on the agenda of U.N. bodies, from the standpoint of command relationships within our Government, must rest on a purely arbitrary basis.

I do not mean to imply here any disrespect for our present and past U.N. delegates or any lack of appreciation for the talents and the enthusiasm which they have brought to their tasks. But I consider the existing situation clearly unsatisfactory from the standpoint of the projection onto the U.N. work of the views and policies of the Secre-

tary of State, and I do not believe that this can be remedied short of a basic decision to change over to the policy followed by most other great governments in this respect: namely, representation in the United Nations through professional government servants, imbued with the Secretary's thoughts and ideas and animated by no other purpose than to serve as their vehicles.

With respect to the second of these two reasons, the answer lies with ourselves in this Department. We are faced, of course, with the serious fact that numbers of people who play important parts in U.N. affairs, both within the Department and in our delegation in New York, have grown up in their official duties with a different philosophy of foreign affairs than that which prevails elsewhere in the Department. In most instances, these people are devoted, imaginative and intelligent government servants, whose specific outlook derives from limitations of background and experience, particularly from an unfamiliarity with media of U.S. foreign policy other than the U.N. A portion of these deficiencies can be remedied by a closer integration of the work of UNA with major policy thinking in the Department. But the remaining portion of it will probably not be overcome until there is a considerably greater interchange of personnel than we have had in the past between the services of the Department dealing with United Nations affairs and other branches of the Department and Foreign Service.³

4. *Conclusions.*

Our participation thus far in the work of the United Nations has been marked by a degree of enthusiasm and application unrivalled anywhere in government service. These qualities have undoubtedly found expression in many positive and fruitful ways in the participation of our Government in U.N. activities.

On the other hand, all this has proceeded at a considerable distance, intellectually and administratively, from the remaining work of the Department of State. This in turn has led to a certain ingrown quality among the group of people concerned with U.N. affairs, and has created a situation in which it is difficult for those people to see clearly the relationships between their work and the total tasks of U.S.

³ UNA itself was aware of and concerned about the problem of effecting closer integration between the U.S. Mission and the Department in matters of policy implementation. It was felt that the area of Soviet affairs and a near-lack of USUN relations with members of the Soviet delegations at New York "was a problem that needed study. . . .", and proposals from within UNA itself for the assignment to a permanent position at the Mission of a Foreign Service Officer whose specialty was Soviet affairs were receiving close attention. (Files of Durward V. Sandifer, Lot 55-D429, Folder "UNA Staff Meetings, Minutes, 1949" [March 8 and May 10])

diplomacy. It has also caused them, I think, to take for granted, as permanent and dependable phenomena, certain factors concerning the use of the United Nations as a theater of diplomatic operations which have actually been the reflections of temporary constellations of circumstance.

I think we would not be justified in carrying the present arrangements and methods into the future just because they have led to no visible catastrophies in the past. The undependable quality of the Assembly majority to which we have thus far belonged is alone a reason why we should take steps, as soon as the present Assembly session is over, to get a much tighter and more effective rein on our whole U.N. operation. The moment we enter an era in which we begin to be consistently out-voted in the Assembly, the activities of that body will become fraught with danger for our national interests, and our participation will call for the most controlled and circumspect handling.⁴

GEORGE F. KENNAN

⁴ Mr. Kennan also forwarded to Secretary Acheson "brief comments" by Dorothy Fosdick, "which are probably a useful corrective to my views." Miss Fosdick was a member of the Policy Planning Staff and previously had been a staff officer of some prominence in the Office of United Nations Affairs. An excerpt from a memorandum of November 15 to Mr. Kennan reads: "4. I am not sure you appreciate the immense progress that has been made in the last two years in bringing UNA work and UN Mission work within the general framework of American foreign policy. The whole Department in a very real sense is now participating in the formulation of policy for the UN and the tendency towards UNA isolation is well on the wane. Since this was your first exposure to the Mission, this fact may have escaped you. It is understood that the Delegation in New York is an instructed Delegation, and only in a very few cases have they asked for a change in their instructions (notably Spain)." (Memorandum, Fosdick to Kennan, Nov. 15, 1949, Policy Planning Staff Files, Lot 64-D563, Box 20035, Folder "United Nations 1947-1949")

W. Walton Butterworth, an experienced career officer and at this time Assistant Secretary of State for Far Eastern Affairs, commented: "I wish I could agree with paragraph numbered 4 of Dorothy Fosdick's memorandum, but my experience is contrarywise and with your assertions. Neither I nor my principal colleagues in FE have ever had a sense that Washington had sufficient effective control over controversial matters of importance with which USUN is dealing. Aside from the mentality to which you refer, the most careful policy statements are more often than not vitiated at the last minute by a telephone message from USUN to UNA which then without more ado concurs in the recommended action on the theory of the man on the spot, etc." (Memorandum, Butterworth to Kennan, Dec. 27, 1949, Policy Planning Staff Files, Lot 64-D563, Box 20035, Folder "United Nations 1947-1949") (A UNA view of the problem described by Mr. Butterworth was expressed in a UNA staff meeting on May 24, 1949, in a critique of the functioning of the U.S. Delegation and advisory staff at the April-May 1949 meeting of the General Assembly: "... a difficult situation was provoked by the frequent telephone calls between officers in the Department and members of delegations, particularly *ad hoc* advisers [these came from the geographic offices], in which off-hand interpretations may be given on policy matters, such as the Spanish issue, causing a great deal of confusion. . . . Mr. Bancroft felt some method of controlling such communications was needed." Files of Durward V. Sandifer, Lot 55-D429, Folder "UNA Staff Meetings, Minutes, 1949".)

IO Files : US/A/2184

*Memorandum of Conversation, by Mr. Harley A. Notter, Adviser,
United States Delegation to the United Nations General Assembly*

CONFIDENTIAL

[NEW YORK,] December 1, 1949.

Participants: M. Jean Wolfrom, Assistant Secretary-General,
French Delegation
Mr. Notter

Following the morning Plenary, at which the "Essentials of Peace" resolution¹ was adopted, I saw M. Wolfrom and remarked that we had much admired the address of M. Chauvel on the preceding day. I said that we who had been working on this matter on the American side very much enjoyed the friendly and effective working relations with the French officials on this resolution.

M. Wolfrom said that he wished to revert to an idea, of which he had spoken with Mr. Raynor earlier, namely that the French would like to discuss coming Assembly matters with us in advance of the Assembly. He said that it would be helpful if there were some officer in the U.S. Embassy in Paris who was *au courant* of U.N. matters and our position in regard to them, with whom they would talk from time to time during the year. He said that aside from such a helpful development, he hoped very much that a couple of the Americans might be able to come to Paris prior to the next General Assembly, perhaps a month or two before the convening of the Assembly, for the purpose of specific discussions on the problems to arise in the Assembly next fall. He, and also M. Vincent Broustra, who came up at that point, said that they had been inspired and encouraged by the cordial and frank discussions which they had had with us on this resolution and on some other matters, and they hope we might be able to have further such direct, effective relations in the future. I said that we felt very much the same way about it, and hoped that opportunity would prove possible for such discussions as they had in mind.

¹ For documentation on this matter, see pp. 72 ff.

IO Files : US/A/M(Chr)/132

Minutes of the Thirty-eighth Meeting of the United States Delegation, New York, December 7, 1949, 9:00 a. m.

SECRET

[Here follows list of names of persons (41) present.]

Ambassador Austin explained that the purpose of this meeting was to appraise and evaluate the experience of the Delegation at this ses-

sion of the Assembly, as well as the achievements of the Assembly itself. He thought the United States should avoid its present habit of often taking the cue for its position from the Russians. He pointed out that many of our decisions had been influenced by the position which the Soviets have taken. The United States should assume an individual initiative in all cases. Ambassador Austin referred to the great temptation to answer the critical remarks made by Mr. Vyshinsky about the General Assembly upon his departure. He hoped that the discussion of the Delegation could be a real "free-for-all" in which all the members could express their impressions of our common experience and thus contribute to the future improvement of the work of the Delegation.

Ambassador Austin turned first to the liaison officers. He thought it was important for the Delegation as a whole to understand the actions of other delegations and particularly why the United States received their support and whether other members had confidence in the sincerity of our leadership. Mr. Raynor referred to a dinner held the preceding day with representatives of certain European states. These representatives believed the United States was making a sincere attempt to measure up to its responsibilities of leadership and on balance was adequately meeting its responsibilities. These states particularly appreciated our consultations with them, which had made a tremendous impression. They would like to see the consultations extended in the future and kept up during the course of the year. In response to a question from Ambassador Austin as to whether any particular techniques of consultation had been developed, Mr. Raynor explained that the main change had occurred during the negotiations on the "Essentials of Peace" resolution at which time we had actually taken account of the suggestions put forward by other members. One of the weakest spots in his area of responsibility was the trusteeship work.

Mr. Hickerson noted that as a result of the improved techniques of consultation, all these states wanted more consultation, including a greater degree of preliminary consultation before the Assembly in their capitals, as well as consultation in New York for which they were most appreciative. Mr. Raynor indicated that the only problem cases in his area were really minor ones, although he noted that the French desired to deal directly with the United States and not through the British. The Australians were also temperamental. However, relations with both delegations had improved at this session.

Mr. Dreier considered that there were many problems involving the Latin American states. One interesting one was illustrated by the experience in the First Committee the preceding day, when three Latin American states completely surprised the United States by introducing a resolution referring the Chinese case to the Interim Committee

without any advance consultation, and then engaged in some first class Latin oratory which defeated the United States position. By and large, he believed, however, that the Latin American states had demonstrated their support for the United States in the general East-West conflict. The reasons for Latin American enthusiasm in our behalf differed. Some Latin American states were pro-democratic, while others were motivated more by the fear of ideas of social and economic change. One element which made these states difficult to deal with was their extreme caution in many instances. Moreover, some had a purely sentimental hope that through some formula or procedure a way would be found to work out all the problems before the United Nations. This was true, for example, of Mr. Stolk of Venezuela who, despite his experiences in attempting to reach an agreement with the Soviets on the Interim Committee, still maintained the dream of some magic formula which would bring the East and West together.

Turning to the consultation process in general, Mr. Dreier felt that the United States had kept the Latin American countries well informed of our position. This had been appreciated. However, the Latin American states had not come to the United States to find out its point of view as much as he had thought they would. The consistent practice of consultation on our part made more regrettable the Latin American move on China, on which there had been no consultation, although the Latin American states realized that this was a matter of great importance to the United States. He accounted for this move both on the emotional ground which went back to the ardor engendered in the debate on the resolution on the "Essentials of Peace", and their desire to keep alive the debate on subversive activities of the Soviets. In the Chinese case, there had also been the feeling that United States policy did not provide sufficient emotional appeal, and that it was essentially weak. . . .

Mr. Dreier thought one possible reason for their conduct on China was the fact that when the Latin American states did consult with us, they very often had ideas which we did not like, so that we were constantly throwing cold water on their proposals. He wondered if it would not be better in the future to select a few Latin American ideas, . . . and seek their modification in such a way that the United States could support them.

There was another problem involving the Latin American delegations which should not be lost sight of. This was the relative freedom of action of many of the Latin American delegates. For example, Alexis (Haiti) had submitted a plan for the control of atomic energy without the head of his Delegation knowing he was going to make such a proposal. Mr. Dreier did not know how this matter could be

effectively handled. Ambassador Austin . . . asked whether there was any feeling of inferiority among the small states as compared with the great powers. Mr. Dreier did not think this feeling had been particularly evident in this Assembly, although there was of course a latent sentiment among many Latin American countries. This had come out in the Chinese case. Referring back to the developments of the preceding day, Mr. Dreier thought it would be well for the United States to make known to the Latin American countries involved that our policy was one of consultation and to remind them that such consultation on their part was also desirable. Mr. Hickerson felt that there was a single explanation for the fact that the Latin Americans had not consulted us. They regarded the United States delegation as "no-men". We usually knocked down their ideas as bad. This time there was nothing basically wrong in their position, and Tsiang's oratory had simply touched off their emotions, which had then run away with them. Ambassador Jessup noted that the Chinese had also put on an excellent social campaign of luncheons and dinners.

Mr. Hickerson believed that the Delegation should watch more carefully for the irresponsible elements in other delegations. He believed we should try to get a better estimate from our missions abroad, thus giving us the complete "lowdown" on other delegates. . . . We should watch carefully the attitudes expressed by the various delegates as the Assembly proceeded to make sure that they were really speaking for their countries and not "freewheeling". Mr. Clark considered that the Latin American intervention in the Chinese case simply illustrated the effects of good campaigning, which had been started early, to line up the Latin American states in favor of China.

Mr. Cabot said that certain of the senior political liaison officers felt that there could be more integration of the liaison work with other Delegation operations. He agreed we had secured the confidence of other delegates by increased consultations. With the other liaison officers he was preparing a memorandum making certain constructive suggestions for the greater integration of the liaison work. Ambassador Austin suggested that it would be helpful in studying the future procedures of the Delegation if Mr. Cabot could consult with members of the permanent Mission on this matter.

Mr. Howard referred to the fact that there were different liaison problems in different areas. He thought all the political officers could helpfully contribute to an over-all study of the liaison work of the Delegation. He personally felt that the liaison work of this session had improved over that of the past. There was rather less lobbying, for one thing. In his view, the most important element of liaison work was to establish a relationship of mutual confidence. This year that

relationship was better than ever before with the exception of certain questions, such as Palestine, on which the Arab states, for example, could never be influenced by the United States. In answer to a question from Ambassador Austin, he agreed that in many cases the position of other states was a response based upon their fear of the Russians. This had been the case when Turkey had not spoken in the debate on the "Essentials of Peace" resolution because it feared this would mean it would be singled out for subsequent attack by the Soviets. A number of states preferred not to speak unless they were actually attacked.

[Here follows description by the delegates of their impressions of the accomplishments of the fourth session of the General Assembly.]

IO Files : US/A/2285

Memorandum of Conversation, by the Principal Executive Officer of the United States Delegation (Popper)

CONFIDENTIAL

[NEW YORK,] December 8, 1949.

Participants: Mr. F. H. Corner, New Zealand Delegation
Dr. L. Wessels, South African Delegation
Mr. Joseph Nisot, Belgian Delegation
Mr. Pierre Pescatore, Luxembourg Delegation
M. Vincent Broustra, French Delegation
Mr. R. G. Riddell, Canadian Delegation
Mr. J. Parrott, United Kingdom Delegation
Mr. J. Plimsoll, Australian Delegation
Mr. John Hickerson, United States Delegation
Mr. David W. Wainhouse, United States Delegation
Mr. Hayden Raynor, United States Delegation
Mr. David H. Popper, United States Delegation

At a small dinner given by the United States Delegation on December 5, general impressions of the work of the Assembly were exchanged and comments were elicited in a wide variety of subjects considered at this [Fourth] session.

[Here follows a résumé of "the more important items." Regarding discussion of the work of the Fourth Committee and the "colonial problem", see page 368.]

10. *Practice of Consultation*

All those present expressed their appreciation for the consultation practice which the Americans had adopted before the beginning of the Assembly and during the Assembly, especially in connection with the Soviet item. It was unanimously agreed that these practices should be continued both in New York and in the field. In the course of this discussion, Pescatore paid special tribute to the personal relationships

established by Mr. Raynor and the very great value of the work he had done in this sphere.

D[AVID] H. POPPER

111.73/12-1449

Memorandum by Mr. Donald C. Blaisdell, Special Assistant to the Assistant Secretary of State for United Nations Affairs (Hickerson), to the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer)

SECRET

[WASHINGTON,] December 14, 1949.

INADEQUATE POLICY INFORMATION ON U.S. IN THE UN

Recently it has struck me that very little policy information on matters within UNA's province comes to the attention of the Department, except for the so-called political matters handled by UNP. The three principal vehicles for disseminating policy information within the Department are:

- 1) The Daily Staff Summary (Top Secret)
- 2) The Daily Secret Summary
- 3) The Weekly Review (Secret).

With the exception just noted, very little material of a policy sort on our participation in the United Nations and the specialized agencies appears in these publications of the Policy Service Committee. The so-called political matters are well covered. Other matters, however,—economic and social, trusteeship and non-self-governing territories, as well as international administration, etc.—receive no coverage at all. On these matters, however, just as on the political matters, the United States has policies which it attempts to give effect to in the UN and the specialized agencies. Since policy information on these matters, however, is rarely if ever included in the three publications referred to, I conclude that full information on our policy in the UN is not being disseminated to the Department.

In this memorandum I wish to call this situation to your attention without suggesting any remedy. Without further thought, I do not know whether a remedy is available. To me the situation seems to call for some concerted consideration within UNA. If you agree, I would appreciate an opportunity to discuss it further with you, to raise it in

a staff meeting, or to convene a meeting of the Office Directors and others for a discussion of the situation.¹

DONALD C. BLAISDELL

¹In a memorandum of December 15 to Mr. Blaisdell, Assistant Secretary Hickerson recorded his agreement with Mr. Blaisdell concerning the inadequacy of dissemination of information throughout the Department regarding U.S. policy at the United Nations. Mr. Hickerson recommended that Mr. Blaisdell develop a program and procedures for remedying the situation, which could be reviewed by the UNA staff at an early date. The Assistant Secretary noted the names of certain officers of the Bureau who should be consulted in implementing his suggestion. (111.73/12-1549)

GENERAL UNITED STATES POLICY TOWARD THE UNITED NATIONS ¹

I. THE UNITED STATES AND THE UNITED NATIONS: REAFFIRMATION OF THE POLICY OF THE UNITED STATES TO SUPPORT AND STRENGTHEN THE UNITED NATIONS AND RELATED AGENCIES

Editorial Note

The documentation in this and other volumes of the 1949 *Foreign Relations* series records in some detail the policy of the United States Government, in both general principle and specific application, to make the United Nations the focus of this Government's world policy; and to support and strengthen the United Nations to make it an effectively functioning world organization for the purposes set forth in the San Francisco Charter of 1945. This United States policy was given unmistakable direction by President Truman in statements on two significant occasions in 1949: the President's own inauguration on January 20 and the cornerstone ceremony at the permanent headquarters of the United Nations in New York City on October 24.

The first statement was embodied in Point 1 of President Truman's inaugural address of January 20 (for text see Department of State *Bulletin*, January 30, 1949, pages 123-126):

"... we will continue to give unfaltering support to the United Nations and related agencies, and we will continue to search for ways to strengthen their authority and increase their effectiveness. We believe that the United Nations will be strengthened by the new nations which are being formed in lands now advancing toward self-government under democratic principles."

In his address at the United Nations cornerstone ceremony on October 24 President Truman explained the mandate behind United States support for the United Nations.

"The United Nations was essentially an expression of the moral nature of man's aspirations. The Charter clearly showed the determination that international problems must be settled on a basis acceptable to the conscience of mankind.

¹ Continued from *Foreign Relations*, 1948, vol. I, pp. 21-88.

"Because the United Nations was the dynamic expression of what all the peoples of the world desired, because it set up a standard of right and justice for all nations, it was greater than any of its Members. The compact that underlay the United Nations could not be ignored, neither could it be infringed or dissolved. . . .

"The laying of the corner-stone was an act of faith, the unshakable faith that the United Nations would succeed in accomplishing the great tasks for which it had been created.

"But faith without works was dead. Member States must make their devotion to the ideals of the Charter as strong as the steel in the Headquarters Building. They must pursue the objectives of the Charter with resolution as firm as the rock on which the building rested. They must conduct their affairs four-square with the Charter, in terms as true as the corner-stone.

"If they did those things, the United Nations would endure and would bring the blessings of peace and well-being to mankind." (United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, pages 169-171)

How the pronouncement of such principles and objectives affected the day-to-day problems of policy formulation in the Department of State was described by Dean Rusk, Deputy Under Secretary of State for political affairs, in a San Francisco speech on October 21: "I know from direct experience that the standards of the Charter make themselves felt in the great mass of decisions which are made daily . . . 'How does this fit the Charter?' 'How will this look in the United Nations?' These are constantly recurring questions where decisions are being made on difficult matters of policy." (Department of State *Bulletin*, October 31, 1949, page 653)

Those in the Department of State who were most concerned on a daily basis with giving practical effect to the President's program were the leadership and officers of the Bureau of United Nations Affairs (UNA). The following document is printed as affording some insight into the kind of thinking the UNA officers were bringing to bear on the problem at the planning level.

501/11-749

*Memorandum Prepared by the United Nations Planning Staff, Bureau
of United Nations Affairs*

RESTRICTED

[WASHINGTON,] November 4, 1949.

STRENGTHENING UN WITHIN CHARTER FRAMEWORK

POSSIBLE SUBJECTS FOR INCLUSION IN CONGRESSIONAL RESOLUTIONS ¹

The subjects covered by the Vandenberg Resolution (S. Res. 239) adopted by the Senate on June 11, 1948, are shown in the attached copy of that resolution. A list of other possible subjects follows.

1. Use of UN organs, subsidiary bodies, and specialized agencies whenever possible in connection with matters involving international cooperation.

2. Subject to the requirements of Articles 33 and 52 of the Charter that parties to a dispute likely to endanger the peace should seek to settle the dispute by peaceful means outside the UN, the U.S. should bring and encourage others to bring to the UN important problems coming within the purview of the Charter.

3. UN action in the economic and social fields to strengthen the world peace structure.

4. The U.S. should in general encourage and support the broadening, through liberal interpretations of the Charter and through usage, of the international problems of legitimate interest to the UN and of the powers and functions of UN organs, and should in general oppose interpretations or usage which would have an opposite effect.

5. Further use of such international institutions and patterns of administration as

- (a) those contemplated for the Trieste territory; and
- (b) those developed by the World Bank.

6. Agreement of the Great Powers to refer important matters to the General Assembly, or some other organ of the UN, for binding determination as was done in the case of the Italian colonies.

7. Renewed efforts to provide the Security Council with contingents of national armed forces as provided in Article 43.

¹ This document illustrates also how the Department of State was becoming increasingly concerned with a number of resolutions which were being introduced in both Houses of Congress in 1949, and which propounded various schemes looking toward world government or a union of the countries of the North Atlantic Basin (Atlantic Union). These reflected a definite impatience if not disillusionment with the United Nations on the part of articulate sections of the American public which was sharply at variance with the established policy of this Government. A sub-committee of the Senate Foreign Relations Committee had been established to study such proposals, and hearings were scheduled early in 1950.

8. Efforts to provide the Security Council with an international armed force.

9. Provision of armed forces (national contingents or international) for use by UN with the understanding that if the Security Council should be prevented from taking the necessary action to restore international peace, the forces would be used in accordance with any recommendations made by the General Assembly through a two-thirds vote.

10. Proposal to plug the gap in the Charter by a collective security pact open to all Members by which each could agree to assist the victim of an armed attack (or aggression) if requested to do so by two-thirds of the members of the General Assembly. The Thomas-Douglas Resolution (S. Con. Res. 52) on this subject provides for:

"A supplementary agreement under Article 51 of the Charter open to all members of the United Nations, by which the signatories agree, if the Security Council is prevented from fulfilling its duties, to come to the aid of the victim of the attack if requested to do so by a two-thirds vote of the General Assembly, including three of the permanent members of the Security Council.

"Such an agreement should specify the forces that each signatory agrees to maintain, under the spirit of paragraphs 1 and 2 of Article 43, for immediate use of the United Nations (a) upon call of the Security Council, or (b) upon call of the General Assembly by a two-thirds vote, including at least three of the permanent members of the Security Council."

11. Resolution by General Assembly to meet promptly in the event of armed attack and make findings (and recommendations).

12. Increased use of the General Assembly where necessary to avoid improper use of the permanent member veto in the Security Council.

13. The U.S. should give full effect to the twin doctrines that

(1) the obligations of Members under the Charter do not lapse because of the failure of the Security Council to take action; and

(2) such failure to take action does not deprive the U.S. and other Member nations of their right and moral duty in case of clear aggression to take collective action outside the framework of the UN to uphold the principles of the Charter.

14. The U.S. should agree to modification of the "domestic jurisdiction" exception to its acceptance of the compulsory jurisdiction of the International Court of Justice, so as to permit the Court to make the determination whether a matter comes within this exception.

15. Preparation by the International Law Commission of the UN of an international criminal code and of a statute for an international criminal court.

16. The U.S. should seek to establish and obtain acceptance and observance of standards of conduct in political, economic, cultural,

social, scientific and technical fields, and particularly the field of human rights. Unique national patterns of behavior, however, must not be imposed on other nations through the UN.

17. Provision of independent sources of revenue for the United Nations in addition to the revenue provided by contributions made by Members.

18. The U.S. should support UN publicity efforts and other attempts to familiarize the public with UN symbols (flag, travel-papers, etc.) with a view to developing awareness of and support for the UN as the organ of the free international community.

19. The U.S. should encourage the development of a group of effective and loyal UN civil servants through action designed to increase their responsibility, independence, and initiative at the expert level. In this connection, the U.S. should use its influence to strengthen the international character of the UN Secretariat by maximizing so far as possible the freedom of members of the Secretariat from dominance or unwarranted interference by the States of which they are nationals.

20. Establishment of a consultative assembly of the General Assembly consisting of representatives of the political parties of members somewhat similar as to composition and function to the Consultative Assembly of the Council of Europe.

[Attachment]

*Vandenberg Resolution (S. Res. 239)*²

Whereas peace with justice and the defense of human rights and fundamental freedoms require international cooperation through more effective use of the United Nations: Therefore be it

Resolved, That the Senate reaffirm the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest, and that the President be advised of the sense of the Senate that this Government, by constitutional process, should particularly pursue the following objectives within the United Nations Charter:

(1) Voluntary agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members.

(2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

(3) Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on con-

² Passed by the Senate June 11, 1948; see *Foreign Relations*, 1948, vol. I, p. 25, footnote 7.

tinuous and effective self-help and mutual aid, and as affect its national security.

(4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

(5) Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter, and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

(6) If necessary, after adequate effort toward strengthening the United Nations, review of the Charter at an appropriate time by a General Conference called under article 109 or by the General Assembly.

II. ATTITUDE OF THE UNITED STATES TOWARD THE PROPOSAL BY THE SECRETARY-GENERAL OF THE UNITED NATIONS FOR THE ESTABLISHMENT OF A UNITED NATIONS SECURITY GUARD¹

Editorial Note

For the position of the United States regarding the proposal of the Secretary-General for the establishment of a United Nations security guard, with reference to consideration of the matter by the General Assembly at the second part of its third regular session in April 1949, see editorial note in *Foreign Relations*, 1948, volume I, page 33.

IO Files²: SD/A/C.1/250

*Position Paper Prepared in the Department of State for the United States Delegation to the Fourth Regular Session of the General Assembly of the United Nations*³

RESTRICTED

[WASHINGTON,] August 25, 1949.

PROPOSED UNITED NATIONS FIELD SERVICE AND UNITED NATIONS PANEL OF FIELD OBSERVERS

PROBLEM

The problem is to determine the U.S. position with respect to the resolutions concerning the proposed United Nations Field Service

¹ Continued from *Foreign Relations*, 1948, vol. 1, pp. 29-33.

² Short form for the master files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State.

³ For documentation regarding the composition and organization of the U.S. Delegation, see pp. 12 ff. The General Assembly was in session from September 20 to December 10.

and United Nations Panel of Field Observers, recommended to the General Assembly by the Special Committee on the United Nations Guard.

RECOMMENDATIONS

I. *Substantive*: The United States delegation should support the adoption of each of the draft resolutions (see annexes A and B).

Comment:

The two resolutions, noting the Secretary-General's intention to establish a systematized field service and requesting him to set up a panel of field observers, were recommended to the General Assembly by the Special Committee on the U.N. Guard as a result of its deliberations during the past summer. The breadth of the resolutions' terms and the tenor of the Special Committee's report represent an almost complete affirmation of the U.S. views upon the revised U.N. Guard proposal, as set forth in our position paper for the U.S. representative on the Special Committee (SD/A/C.1/220⁴). Consequently the U.S. should give solid support to the adoption of both resolutions as workable, relatively inexpensive, and yet substantial steps toward systematizing the Secretary-General's services for U.N. field missions.

II. *Tactical*: Carrying forward the position maintained in the Special Committee, the United States, although warmly supporting the Special Committee's recommendations, should not assume the leading role in advocating adoption of the draft resolutions.

Comment:

The Field Service-Observer Panel proposal, as revised by the Secretary-General and formulated by the Special Committee, should command almost universal support on its merits. If the United States were to appear as an ardent protagonist, it might unnecessarily lend color to the constantly repeated, though unwarranted, Soviet claim that the Secretary-General and various members of the U.N. have acted as mere tools of the U.S. in presenting and supporting the proposal for systematization of services.

III. *Procedural*: If it is proposed by some other delegation that this item be assigned to Committee 5 rather than to Committee 1, the U.S. should not object to such an allocation.

Comment:

In its present form the Field Service-Observer Panel proposal is primarily a Secretariat matter, involving more budgetary and administrative than political questions. Justification exists, consequently, for assignment of this item to Committee 5, and such a step would aid in relieving Committee 1's crowded agenda. Yet the U.S. delegation should guard against any implication or suggestion that the U.S.

⁴ Not printed. This document is in the IO Files.

is reluctant to have the subject discussed by the Political Committee. Some of the political problems inherent in the Special Committee's report and recommendations, particularly the contention of the representatives of the U.S.S.R., Poland and Czechoslovakia that the proposal contravenes the Charter, have not yet been thoroughly discussed in the Assembly. The U.S. is entirely willing, therefore, to discuss the subject in one of the Political Committees, although the substance of the proposal indicates that Committee 5 may be a more appropriate forum. In any event the administrative and budgetary questions will be subject to consideration in Committee 5.

Annex A

DRAFT RESOLUTION*

"The General Assembly

"Having considered the report of the Special Committee established by General Assembly resolution 270 (III) of 29 April 1949,

"Being of the opinion that the United Nations Field Service, as proposed by the Secretary-General in document A/AC.29/1 and modified by the report of the Special Committee (A/949), will contribute to the more efficient operation of United Nations missions,

"Considering that the Secretary-General has authority to establish the United Nations Field Service, subject to budgetary limitations and the normal administrative controls of the General Assembly,

"Takes note of the intention of the Secretary-General to establish this proposed unit as modified by the observations contained in the report of the Special Committee."

Annex B

DRAFT RESOLUTION†

"The General Assembly,

"Having considered the report of the Special Committee established by General Assembly resolution 270 (III) of 29 April 1949,

"Desirous of facilitating the work of the United Nations in the pacific settlement of disputes under the provisions of the Charter,

"Being of the opinion that the proposed United Nations Panel of Field Observers will contribute to this end,

*Text as given in the Report of the Special Committee on a United Nations Guard, A/959, 24 August 1949. [Footnote in the source text.]

†Text as given in the Report of the Special Committee on a United Nations Guard, A/959, 24 August 1949. [Footnote in the source text.]

"*Taking note of the intention of the Secretary-General to undertake the administrative arrangements for the proposed Panel with due regard to the observations contained in the report of the Special Committee,*

"*Requests the Secretary-General to establish and maintain a list of persons qualified to assist United Nations missions in the functions of observation and supervision, such persons to be called to service in response to a specific resolution by a competent organ of the United Nations; such list shall be known as the *United Nations Panel of Observers* and shall be established and maintained with due regard to the observations contained in the report of the Special Committee and based upon the principle of equitable geographical distribution."*

Editorial Note

After passing through the appropriate legislative stages the two resolutions were approved by the General Assembly on November 22, substantially in the form that appears here. In the discussion of the *Ad Hoc* Political Committee on the matter it was recognized that the proposal as regards the first resolution simply reorganized certain existing services already being performed by the Secretariat on a temporary basis, although countries of the Eastern bloc opposed the resolution as a device to establish an armed force in contravention of the United Nations Charter.

III. ESTABLISHMENT OF THE SEAT OF THE UNITED NATIONS IN THE UNITED STATES: MATTERS RELATED TO IMPLEMENTATION OF THE HEADQUARTERS AGREEMENT OF 1947; THE UNITED STATES POSITION REGARDING THE GENERAL CONVENTION ON PRIVILEGES AND IMMUNITIES OF THE UNITED NATIONS¹

501.AC/1-349

The Acting Secretary of State to the Speaker of the House of Representatives (Rayburn)

WASHINGTON, January 3, 1949.

MY DEAR MR. SPEAKER: There is transmitted herewith a copy of the Convention on Privileges and Immunities of the United Nations which was approved by the General Assembly by a resolution, adopted on February 13, 1946, proposing the Convention for accession by each Member of the United Nations.² This agreement is designed to imple-

¹ Continued from *Foreign Relations*, 1948, vol. I, pp. 34-88.

² For text, see United Nations, *Official Records of the General Assembly, First Session, First Part, Resolutions Adopted by the General Assembly during the First Part of the First Session*, p. 25.

ment Articles 104 and 105 of the Charter of the United Nations³ which read as follows:

Article 104:

"The Organization shall enjoy in the territory of each of its Members such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes."

Article 105:

"1. The Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes.

"2. Representatives of the Members of the United Nations and officials of the Organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organization.

"3. The General Assembly may make recommendations with a view to determining the details of the application of paragraphs 1 and 2 of this Article or may propose conventions to the Members of the United Nations for this purpose."

The Convention is submitted to you with the request that the Congress give consideration to the passage of a joint resolution authorizing the President to accede to it on behalf of the United States. A draft of a proposed joint resolution is enclosed. This draft is identical, except for the first part of the preamble thereof, to that submitted by the Department of State to the 80th Congress.

Various references to the General Convention appear in the Headquarters Agreement between the United States and the United Nations,⁴ approved by the 80th Congress in Public Law 357. The Headquarters Agreement is a bilateral agreement between the United States and the United Nations and refers only to matters arising out of the special relationship of the United States as host to the United Nations. The privileges of the General Convention are general, applicable equally to all Members of the United Nations, and will confer privileges and immunities without relation to the fact that the United Nations headquarters is in this country. In connection with the relationship between the General Convention and the Headquarters Agreement, it is pointed out that Section 26 of the Agreement provides as follows:

"The provisions of this agreement shall be complementary to the provisions of the General Convention. In so far as any provision of this agreement and any provisions of the General Convention relate to the same subject matter, the two provisions shall, wherever possible, be treated as complementary, so that both provisions shall be appli-

³ Signed at San Francisco, June 26, 1945, 59 Stat. (pt. 2) 1031.

⁴ Signed at New York, June 26, 1947, 61 Stat. 758. For documentation on its negotiations, see *Foreign Relations*, 1947, vol. 1, pp. 22 ff.

cable and neither shall narrow the effect of the other; but in any case of absolute conflict, the provisions of this agreement shall prevail."

Since our acceptance of this Convention will give effect to Articles 104 and 105 of the Charter of the United Nations, the Department of State believes that the Convention should be submitted to Congress for its approval by joint resolution.

The Convention gives certain privileges and immunities to the United Nations, as an organization, to its officials, and to representatives of Member states to the various organs of the United Nations. Many of the privileges and immunities for which provision is made in the Convention have already been conferred upon the United Nations by virtue of the provisions of the International Organizations Immunities Act, approved December 29, 1945 (Public Law 291, 79th Congress, 1st Session⁵). In some respects, however, the Convention on the Privileges and Immunities of the United Nations goes beyond the terms of the International Organizations Immunities Act. Thus, for example, there is provision in Section 19 of the Convention for giving the Secretary-General and all Assistant Secretaries-General of the United Nations, their spouses and minor children, the privileges and immunities, exemptions and facilities accorded to diplomatic envoys in accordance with international law. There is provision in Section 22 of the Convention for extending certain limited privileges and immunities to experts on missions for the United Nations. In other respects, on the other hand, the Convention may be less liberal than the provisions of the International Organizations Immunities Act. For example, Section 11(f) and (g) of the Convention limit the free entry privilege to "personal baggage", a term which is narrower in scope than the term "baggage and effects", as used in Sec. 3 of the Act. The International Organizations Immunities Act was designed to cover all international organizations. The Convention meets the special needs of the United Nations and reflects also the additional experience of the Organization and the problems it has encountered. The effect of approval of the enclosed draft resolution will be to supplement or replace certain provisions of the International Organizations Immunities Act, and the draft joint resolution provides that in the case of absolute conflict the provisions of the Convention shall prevail.

At the meeting of the General Assembly of the United Nations in February, 1946, the United States Delegation voted for the General Assembly resolution opening the Convention on Privileges and Immunities for accession by each Member of the United Nations. At that time Senator Vandenberg reserved the position of the United States

⁵ 59 Stat. 669.

with respect to provisions in the Convention regarding tax immunities and regarding national service exemptions in these words:

"I rise only to make the position of the delegation of the United States perfectly plain in regard to the reports of the fifth and sixth Committees. We have reserved our position in respect of tax immunities in regard to the reports of both Committees. The Constitution of the United States gives the American Congress sole power to exempt American citizens from taxation. The distinguished delegate of the United Kingdom made a very interesting and moving appeal in respect of rival allegiances, and suggested that a man cannot serve two masters. Quite in the spirit in which the able delegate of the United Kingdom spoke, the delegation of the United States does not propose to serve two masters. Its master is the Constitution of the United States. This does not, however, mean that the attitude of the Government of the United States is not totally at one with a cooperative attitude, and wholly hospitable in regard to all cooperation which we, as the host country, shall undertake to give to this great institution when it goes upon its way. Indeed, even so far as privileges and immunities are concerned, I am very happy to say that the last session of the American Congress has already passed a statute which includes, I should say, about 95 percent of the things which the report and the general convention from the sixth Committee anticipate.

"The delegation of the United States also reserves its position in respect of national service exemptions under the general convention reported by the sixth Committee. This again is due to the fact that the Constitution of the United States permits no authority other than the American Congress to deal with this matter, and we are not in a position to prejudge that ultimate consideration.

"With these exceptions, we have been very happy to accept the balance of the report of the fifth Committee, and we are very glad to vote, with these reservations, for the general convention.

"So far as the special convention is concerned, we shall abstain from voting, because the special convention is one to which the Government of the United States will be a party, and we consider it would be inappropriate for us to prejudge the case here. [This reference is to the Headquarters Agreement, subsequently approved in Public Law 357, 80th Congress.]⁶

"In this entire attitude, I want to repeat that the purpose and the intention, and heartfelt desire, not only of the delegation of the United States, but of the American people, I am sure I speak with complete justification, is to extend every consideration, and to give every possible cooperation, to the United Nations Organization as it proceeds upon the greatest and most hopeful adventure in the history of human kind."

With respect to the question of income tax immunity for officials of the United Nations, I wish to point out that Section 118(h)(1) of the Internal Revenue Code, as amended, exempts alien employees of public international organizations from the payment of a Federal

⁶ Brackets appear in the source text.

tax on income received from such international organizations. United States nationals employed by international organizations, however, are subject to the Federal tax on income received from the United Nations. Section 18(b) of the enclosed Convention would extend this tax exemption now granted alien officials of the United Nations. It would also grant immunity from state income taxes on such income both for aliens and United States citizens.

The General Assembly has considered whether or not officials of international organizations, regardless of their nationality and place of residence, should be exempt from national taxation. The Assembly concluded at its first session in London that "there is no alternative to the proposition that exemption from national taxation for salaries and allowances paid by the Organization is indispensable to the achievement of equity among its Members and equality among its personnel". This proposition was accepted unanimously, the United States Delegation abstaining. The Convention submitted herewith was also approved unanimously by the General Assembly, although the United States Delegation reserved its position with respect to the question of tax immunity as noted above.

When the Convention was submitted to the 80th Congress⁷ for approval, the Senate inserted in the legislation (S. J. Res. 136) a reservation with regard to the taxation of United States nationals. The reason for the Senate action, as stated in the report of the Committee on Foreign Relations (Report No. 559, 80th Congress, page 6) was that "the Committee considered it undesirable to create within the United States a group of nationals not subject to the normal responsibilities of citizenship". H. R. 6802, however, as reported out by the House Foreign Affairs Committee, did not contain this reservation. This action by the House Committee was based on new developments with regard to this matter set forth on pages 16-18 of House Report No. 2291, 80th Congress. Briefly stated, the United Nations, in the light of the reservation by the United States and by Canada, was compelled to reconsider the entire question of national taxation of United Nations officials. Since it appeared that the principal objection of these two governments was to the creation of a class of their own citizens which enjoyed a privileged, tax-free status, the United Nations considered the adoption of a staff contributions plan whereby all employees of the United Nations would pay a tax to the Organization. The rates of this tax, it was proposed, would be somewhat greater than those imposed by tax laws of the United States. In this way, international civil servants would not have privileged status but would pay to the

⁷ For documentation on this phase, see *Foreign Relations*, 1948, vol. I, pp. 34 ff.

United Nations a tax not unlike that paid by other individuals to their own government, and these individuals would thus be contributing to the United Nations directly, as their fellow citizens in their home countries contribute to the United Nations indirectly through the payment of national taxes.

The United Nations staff contributions plan has now been adopted by the General Assembly at its third regular session in Paris, 1948, with the support of the United States Delegation. The Assembly recognised, however, that success of this plan depended on the agreement of Member governments, with particular reference to those which had indicated a reservation in this regard, not to impose an additional tax on their nationals employed by the United Nations. On November 18, therefore, the Assembly passed the following resolution:

"The General Assembly,

Desiring to achieve both equity among the Member States and equality among members of the staff of the Organization, and

Noting that certain Members have not yet taken the necessary action to that end,

Requests

That Members which have not acceded to the Convention on Privileges and Immunities of the United Nations or which have acceded to it with reservation as to its article 18 (*b*), take the necessary action, legislative or other to exempt their nationals employed by the United Nations from national income taxation with respect to their salaries and emoluments paid to them by the United Nations, or in any other manner to grant relief for double taxation to such nationals."

In view of the general policy of the United States to give its full support to the United Nations, it is the opinion of the Department of State that this Government should comply with recommendations of the General Assembly wherever it can do so without prejudice to overriding considerations affecting the vital interests of the United States. For this reason, the Department hopes that the Congress will not insist on a reservation that tax immunity should be inapplicable to United States nationals.

With respect to Section 18(*c*) of the Convention which would give officials of the United Nations immunity from national service obligations, I believe it would be well for this Government to reserve its position. A provision to that effect is incorporated in the enclosed draft resolution. The Selective Service Act of 1948, and regulations issued by the President pursuant thereto, provide for the exemption of officials of international organizations other than United States nationals and aliens who have declared their intentions of becoming citizens.

Article VII of the Convention authorizes the United Nations to issue a *Laissez-Passer* to its officials. Section 24 of Article VII provides:

"These *Laissez-Passer* shall be recognized and accepted as valid travel documents by the authorities of Members, taking into account the provisions of Section 25."

When the Convention was considered by the Assembly, the United States Delegation made no reservation with regard to this provision. However, in transmitting the Convention to the 80th Congress, the Department of State made the following statement:

"This language does not authorize or require, and is not interpreted by the Department of State as authorizing or requiring the United Nations or any Member state to issue or accept a document which is a substitute for a passport or other documentation of nationality; it provides only for a certificate attesting to the United Nations affiliation of the bearer in respect to travel and will be accepted by the United States as such a document. Thus Article VII, if approved, will not amend or modify existing provisions of law with respect to the requirement or issuance of passports or of other documentation evidencing nationality of citizens or aliens."

This statement was quoted by the Senate Committee in Report 559, and the Committee also inserted in the legislation this understanding of this provision. When brought to the attention of the United Nations, however, the United Nations, in a letter to the Department of State from the Assistant Secretary-General for Legal Affairs, stated as follows:

"No reservations or restrictive interpretations have been signified to the Secretary-General by any of the Members who up to now have acceded to the Convention and in fact the *Laissez-Passer* has already been utilized by various members of the Secretariat during their travels for the Organization. National visas have been affixed, in several instances, to the *Laissez-Passer* and the document has been accepted and recognized by the authorities of several States.

"In view of the fact that the Headquarters of the United Nations is established in the United States and that practically all of the United Nations officials return to the United States after their trips, an interpretation by the United States of Article VII of the Convention different from that given to it by the States who have acceded so far to the Convention would affect to the greatest extent the significance and the usefulness of the *Laissez-Passer*."

A similar construction of Article VII is also contained in the report of the sixth Committee of the General Assembly, quoted again in the recent report of the Secretary-General for the year ending June 30, 1948. In its report the Committee expressed the hope that

"further discussions on this point between the Secretary-General and the appropriate authority of the United States might lead to a modification of the views of the United States Government as hitherto expressed to the Secretary-General, with the result that the provisions of Article VII relating to the *Laissez-Passer* should produce the full effects which they were designed to procure."

Twenty-eight nations have already adhered to the General Convention on Privileges and Immunities, and others, it may be assumed, are awaiting United States action. In view of the special role of the United States as host to the United Nations, and the fact that the General Convention was intended as an agreement complementary to the Headquarters Agreement between the United States and the United Nations which became law in the 80th Congress (Public Law 357), the Department of State believes that approval of the enclosed Convention is a matter of urgency.

A similar letter is being sent to the President pro tempore of the United States Senate.

The Department has been informed by the Bureau of the Budget that there is no objection to the presentation of this proposal to the Congress for its consideration.⁸

Sincerely yours,

ROBERT A. LOVETT

⁸ Later in January the Department was informed that Mr. Sol Bloom, Chairman of the Committee on Foreign Affairs of the House of Representatives, did not wish to proceed on this and other Department sponsored legislation without knowing that the new Secretary of State personally approved of certain specific items (memorandum, Carl Marcy, Office of the Counselor, January 27, 1949, 811.032/1-2749). On February 1 Mr. Bloom informed Secretary Acheson in a telephone conversation that he felt the time was inopportune for presenting the Department's proposed legislation regarding the General Convention, and "that unless the Secretary thought differently it should be held for a while. The Secretary saw no objection to this and thought it proper to take Bloom's advice" (memorandum, Marshall Carter of the Secretary's Office to Miss Florence Kirlin of the Counselor's Office, February 1, 1949, 811.032/2-149). In a memorandum to the Secretary the next day from the Counselor of the Department (Bohlen) the reason for the time not being "propitious" is stated (in an attachment) to be "because of Congressional fear that Communists may get into the United States through the UN" (Bohlen memorandum, February 2, 1949, 811.032/2-249). It is not clear whether Mr. Bloom stated it in this way to Secretary Acheson. In his memorandum of February 1 to Miss Kirlin, General Carter questioned whether the Secretary had been sufficiently briefed as to whether the proposals concerning the General Convention were "important legislation" as the Department considered it to be.

This episode seems to have been decisive in the legislative history of the General Convention for 1949, despite occasional hopeful statements made by the Department that the legislation might be enacted. The situation does not seem to have been affected by the death of Mr. Bloom on March 7, 1949, and the accession to the committee chairmanship of Representative John Kee. Neither House of Congress took any action on the General Convention in 1949. The impact of the Gubitchev case on public and Congressional opinion was undoubtedly a factor. Documentation on this matter is scheduled for publication in volume v.

[Enclosure]

Draft Resolution on Convention on Privileges and Immunities of the United Nations

Whereas the Charter of the United Nations was signed on behalf of the United States on June 26, 1945, and was ratified on August 8, 1945, by the President of the United States, by and with the advice and consent of the Senate, and the instrument of ratification of the said Charter was deposited on August 8, 1945; and

Whereas the said Charter of the United Nations came into force with respect to the United States on October 24, 1945; and

Whereas Articles 104 and 105 of the Charter provide that the United Nations shall enjoy in the territory of each of its Members such legal capacity, privileges and immunities as are necessary for the exercise of its functions and the fulfillment of its purposes; and

Whereas the General Assembly by a resolution adopted on February 13, 1946, approved and proposed for accession by each Member of the United Nations a Convention on the Privileges and Immunities of Nations: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to accept on behalf of the Government of the United States the Convention on the Privileges and Immunities of the United Nations, a copy of which is appended and made a part hereof, and to issue a proclamation setting forth that the aforesaid instrument is accepted by the Government of the United States of America in accordance with its law and shall have full force and effect in the United States and its territories and possessions, except that the United States reserves its position with respect to Section 18(c) regarding immunity from national service obligations in so far as that section may apply to United States nationals or persons who have declared their intention to become citizens of the United States.

That in so far as any provisions of this Convention and the International Organizations Immunities Act (59 Stat. 669), as applied to the United Nations relate to the same matter, the two provisions shall wherever possible be treated as complementary to each other so that both provisions shall be applicable and neither shall narrow the effect of the other; but in any case of absolute conflict, the provisions of the Convention shall prevail. The Convention follows:

[For text, see United Nations, *Official Records of the General Assembly, First Session, First Part, Resolutions Adopted by the General Assembly during the First Part of the First Session*, page 25.]

L/UNA Files ¹

Memorandum by Mr. Louis Henkin of the International Staff ²

[WASHINGTON,] January 10, 1949.

Subject: Acceptance by the United States of the United Nations *Laissez-Passer* as a Valid Travel Document.

Background:

Article VII (Section 24) of the General Convention on Privileges and Immunities authorizes the United Nations to issue *Laissez-Passer* to its officials, and provides that "these *laissez-passer* shall be recognized and accepted as valid travel documents by the authorities of members, taking into account the provisions of Section 25".

When the General Convention was first presented to Congress (along with the Headquarters Agreement) the Department assured Congress that:

"this language does not authorize or require the UN or any member state to issue or accept a document which is a substitute for a passport or other documentation of nationality. It provided only for a certificate attesting to the UN affiliation of the bearer in respect to travel and will be accepted by the United States as such a document. Article VII, in other words, would not amend or modify existing provisions of law with respect to the requirement or issuance of passports or other documents evidencing nationality of citizens or aliens." (*Senate Report 559, 80th Congress, 1st Session, Page 7.*)

To make this point perfectly clear, the Senate Foreign Relations Committee approved an amendment to S.J. 136, the legislation providing for United States accession to the Convention, adding the following paragraph:

"Nothing in Article VII of the said convention with respect to *laissez-passer* shall be construed as in any way amending or modifying the existing or future provisions of the US law with respect to the requirement or issuance of passports or other documents evidencing nationality of citizens or aliens, or the requirement that aliens visiting the US obtain visas."

This provision was retained in H.R. 6802, the Omnibus Bill prepared and reported out by the House Foreign Affairs Committee at the end of the Second Session of the 80th Congress.

This interpretation by the United States of Article VII and the Senate provision based thereon were a cause of concern to the United

¹ Files retained by Assistant Legal Adviser for United Nations Affairs.

² Marginal notation: "Shown to Sandifer." Durward V. Sandifer was Acting Director of the Office of United Nations Affairs.

Nations. In a letter to the Legal Adviser, Dr. Ivan Kerno, Assistant Secretary-General in Charge of Legal Affairs, noted the following:

"No reservations or restrictive interpretations have been signified to the Secretary-General by any of the Members who up to now have acceded to the Convention and in fact the *Laissez-Passer* has already been utilized by various members of the Secretariat during their travels for the Organization. National visas have been affixed, in several instances, to the *Laissez-Passer* and the document has been accepted and recognized by the authorities of several States.

"In view of the fact that the Headquarters of the United Nations is established in the United States and that practically all of the United Nations officials return to the United States after their trips, an interpretation by the United States of Article VII of the Convention different from that given to it by the States who have acceded so far to the Convention would affect to the greatest extent the significance and the usefulness of the *Laissez-Passer*."

The matter was also considered by the Sixth Committee of the General Assembly. The report of this Committee also placed on the *Laissez-Passer* provisions of Article VII an interpretation different from that of the United States Government. The Committee accordingly expressed that hope that "further discussions on this point between the Secretary-General and the appropriate authorities of the United States might lead to a modification of the views of the United States Government as hitherto expressed to the Secretary-General, with the result that the provisions of Article VII relating to the *laissez-passer* should produce the full effects which they were designed to procure." The position and recommendation of the Sixth Committee were incorporated in the annual report of the Secretary-General for the year ending June 30, 1948.

Problem:

The views expressed to Congress by the Department in 1947, and the reactions of the United Nations thereto, have been set forth in the letter re-submitting the General Convention on Privileges and Immunities to Congress for action at the 1st Session of the 81st Congress. It may be expected that the Department will have to take a position with regard to the *Laissez-Passer* either in response to a specific request by Congress or in discussions with Congressional committees. Should the Department recede from its restrictive construction of Article VII and urge the acceptance by the United States of the *Laissez-Passer* as a travel document equal to a passport?

Discussion:

a. Reasons for Recognition by the United States of the UN Laissez-Passer.

The reasons why the United States should accept the UN *Laissez-Passer* as a full travel document are numerous and persuasive:

1. In Article 105 of the United Nations Charter, the United States obligated itself to accord to the United Nations such privileges and immunities as are necessary to the fulfillment of its purposes. These privileges are not specified in the Charter, but the General Convention represents, in effect, the views of the General Assembly under Article 105(3) as to certain obligations imposed by Article 105 of the Charter (paragraphs 1 and 2). In effect, then, by including Article VII in the Convention, the General Assembly concluded that the use of the *Laissez-Passer* is a privilege and facility contemplated by the Charter as necessary to the fulfillment of the Organization's purposes.

2. It is the policy of the United States to cooperate with the United Nations in every way possible. With regard to the *Laissez-Passer*, the United Nations is asking merely that its travel document be accorded the same recognition that is given to the travel documents of each of the members of the international community, including even the smallest and youngest of countries. In the absence of strong evidence that it would be inimical to legitimate interests of the United States, our general United States policy of supporting the United Nations would require recognition of the United Nations *Laissez-Passer*. (As to how accepting the *Laissez-Passer* might affect United States interests, see Section *b* below.)

3. The interest of the United Nations in recognition by Member States of its *Laissez-Passer* is not based on any desire to establish its place as a "sovereign" among the nations of the world. The fact is that in order effectively to carry on its numerous functions over all parts of the globe, it is important that United Nations officials be able to travel, often at very short notice, without the hindrance involved in having to procure a national passport. In several cases, United Nations officials have been unable to obtain a national passport, or have experienced protracted delay before getting one. Experience has also shown the frequency with which emergency travel on official business is required of UN officials, under circumstances which do not offer them an opportunity to get a passport.

Thus, the failure of the United States to recognize the *Laissez-Passer* has been a source of delay, and of ensuing friction between the United States and the United Nations. There is also an unfortunate flavor and appearance to the national passport in these cases, as though the United Nations had to get the clearance of a particular government before it could send one of its officials on a particular mission.

4. The Charter of the United Nations contemplates an international secretariat of international civil servants, free from the influence and control of their national governments in the performance of their United Nations duties. Such freedom is impossible so long as the individual must periodically turn to his government for a national passport. It is in the interest of the United States that the United Nations have a strong and independent international secretariat whose members need not constantly fear that their actions on behalf of the Organization might bring upon them the wrath of their own govern-

ment and the refusal or loss of a passport. Recognition of the United Nations *Laissez-Passer* in lieu of a national passport would enable individuals on the secretariat better to live up to their oath of undivided loyalty to the Organization, and would enable them better to resist pressure by the government of the country whose nationality they bear.

5. The recognition of the *Laissez-Passer* would mean, *inter alia*, that American nationals on the secretariat would not be required to have a United States passport to travel on official business of the United Nations. This, too, would frequently prove to be in the interest of the United States. Occasionally, the Department of State does not wish to issue a passport to some member of the United Nations secretariat. Nevertheless, this Government is obligated to permit the individual to travel abroad on United Nations business. (See discussion below, Section b-1.) If it is established as a general policy that such individuals may travel on a United Nations *Laissez-Passer*, the United States can refuse the individual a passport without creating an incident or causing the Department and the United Nations unnecessary embarrassment, as has unfortunately happened in several instances in the past year. And these cases will therefore not create pressure on the Department to issue a passport, and give the protection and "sponsorship" of the United States Government to an individual whose travel abroad would not be facilitated by the Department in the absence of a United Nations connection.

6. To date, 28 nations have acceded to or ratified the General Convention on Privileges and Immunities of the United Nations. None of these 28 has imposed any reservation or limitation with regard to the *Laissez-Passer*. These countries are willing to accept United States nationals employed by the United Nations if they present a United Nations *Laissez-Passer*. They are also willing, in effect, to let their own nationals travel free from their passport control. If the United States refuses to accept the *Laissez-Passer*, it will, in effect, be compelling these countries to issue passports to their nationals employed by the United Nations.*

7. While half the countries of the United Nations have not adhered to the General Convention, it may be presumed that many of these countries are awaiting action by the United States and may emulate the United States in any reservations which this country might make. It is important, therefore, that the United States avoid weakening the effectiveness of the General Convention by reservation as to the *Laissez-Passer*.

b. The Position of the Department in the Past.

Since the Department has in the past taken a position in favor of limitations on the *Laissez-Passer*, it is important to consider the reasons behind the Department's earlier view. These involve apparently two

*The 28 nations in question include such countries as France, the United Kingdom, the Netherlands, Belgium, Denmark, Norway and Sweden. It might be noted that insofar as of [*sic*] eastern Europe countries are concerned, those of their nationals working for international organizations who have not broken with their governments can always get passports without difficulty. [Footnote in the source text.]

sets of considerations corresponding to the two kinds of cases in which the *Laissez-Passer* might be used:

1. *Laissez-Passer for United States Nationals.*

With regard to United States nationals employed by the United Nations, recognition of the *Laissez-Passer* would permit any such individual to travel abroad on United Nations business without obtaining a United States passport. This would, *pro tanto*, remove such travel from control and regulation by the Department.

Whatever the arguments in favor of such control in general, they do not apply with regard to United States nationals traveling on United Nations business.

By the Charter of the United Nations, a treaty of the United States and therefore the law of the land, the United States agreed that the Organization shall have the privileges necessary for the fulfillment of its purposes, and that officials of the Organization shall enjoy the privileges and immunities necessary for the independent exercise of their functions. The ability of such officials to travel on official business is obviously essential to the fulfillment of the purposes of the Organization within the meaning of Article 105. In an opinion of August 17, 1948, the Legal Adviser of the Department stated that the United States could not, consistent with its obligations under the Charter, refuse to permit the travel of an American national sent abroad by the United Nations. Either the Department must issue him a passport, or it must waive the passport requirement. While the Department might issue a passport valid only for travel to the countries in which his official business takes him, there is no real control over the movements of these individuals.

It must be remembered, moreover, that the regulations which at present forbid an American national from leaving the United States without a passport are merely war-time regulations and obtain at present only because juridically the state of war still exists. There are no permanent provisions in the laws of the United States which regulate or control the travel of American nationals in this manner. Indeed, Congress has in the past refused to confer upon the Department such peace-time control.

There is, then, no permanent peace-time policy in this country which requires a national passport of an American who would travel abroad. On the other hand, in the case of American nationals going abroad on United Nations business, the United States is not only required to permit their travel, but, as indicated above, the interest of the United States would militate against requiring that they obtain passports, and should support the acceptance of the *Laissez-Passer*. If a particular individual wishes the additional protection of an American passport, there would be nothing to prevent him from applying for one. If he did not desire such a passport, or if the Department saw fit not to issue him one, he would travel on his *Laissez-Passer*, visaed by the countries to which he would travel. This would also permit the United Nations to send an individual abroad in an emergency without the delay, and without the unfortunate appearance of seeking United States clearance for a United Nations mission, when it seeks a United States passport for its official. It would be a reaffirmation by the United States of its obligations under the Charter to recognize the international status of

international civil servants, and not to attempt to control them in the performance of their official duties. There would also be an end to incidents and recriminations such as have occurred in the past year when the Department delayed or was unwilling to issue a passport. And the United States would not have to give its protection and assume responsibility for the action of an individual whose going abroad may not be regarded by the Department as in the interest of the United States.

2. *Aliens.*

With regard to alien employees of international organizations, the General Convention contemplates that such individuals would not require national passports, but would present their *Laissez-Passer* for visa. The Visa Division has noted, however, that a national passport issued to an individual in effect commits the issuing government to accept the individual in the event that the United States sees fit to deport him for misconduct, or upon the termination of his right to stay in this country. If the United States agrees to recognize a *Laissez-Passer* instead of demanding such a passport, there is no longer any assurance that some country will be required to accept the individual in the event of his deportation by the United States.

Examination of this argument reveals that in fact there is nothing in a passport as such which commits the issuing government to accept the individual. The effect attributed to the passport in this regard is based on the fact that a passport is *prima facie* evidence of nationality, and the additional principle, generally recognized in international law, that a country is required to admit its own nationals. On this analysis, it would appear that what is important is not a passport as such, but some evidence of nationality.

It is relevant to note that it is the official policy of the United Nations to hire only nationals of Member nations. To effectuate this policy, the Organization is compelled to inquire into the nationality of every applicant for employment. The nationality of the individual can be written into the *Laissez-Passer*. While this would offer only secondary evidence of the individual's nationality rather than the more direct evidence implied in a national passport, the difference should not be a decisive factor in view of the positive reasons for acceptance of the *Laissez-Passer* by the United States.

It might also be pointed out that the objection raised by the Visa Division is to a large extent theoretical. In fact, members of the Secretariat may stay on at the headquarters of the United Nations in the United States long after their passport has expired and they no longer have a valid passport. Secondly, in the overwhelming majority of cases, the members of the Secretariat are entirely acceptable to the countries from which they come, and there would be no obstacle to their return. In those cases where the individual has broken with his government, it is still entirely likely that the government will be glad to take him back so that they might do with him what they will. It is in those cases, indeed, that the United States would never in fact seek to deport the individual, as, for example, in the cases of refugees from Czechoslovakia or other eastern European countries. In general, it may be said that the people using the *Laissez-Passer* would either be able to get a national passport were it required, and, therefore, there would be no

obstacle to their return to the country of their nationality or residence; or, they would not be able to get a passport in the first instance, in which case the United States is in any event committed to admitting them without such passport. And these are the cases in which it is extremely unlikely that the United States would wish to deport this individual to the fate that might await him upon his return to his country of origin. It is important to note that there has been no case in which the United States has sought to deport an individual who came here on United Nations business, but has been unable to do so because no country would accept him.

Recommendation:

It is recommended that the Department should accept the United Nations interpretation as to the intended effect of the *Laissez-Passer* provisions in the General Convention, and should oppose any efforts in Congress to insert, in the legislation providing for accession by the United States to the Convention, any language limiting the effectiveness of the *Laissez-Passer* as a travel document in lieu of a passport.

L/UNA Files

*The Deputy Legal Adviser (Tate) to the Assistant Secretary of State for Administration (Peurifoy)*¹

WASHINGTON, February 2, 1949.

Subject: Use of *Laissez-Passer* by American Citizens Who Are United Nations Officials.

Problem:

Section 24 of the Convention on the Privileges and Immunities of the United Nations provides:

"The United Nations may issue United Nations *laissez-passer* to its officials. These *laissez-passer* shall be recognized and accepted as valid travel documents by the authorities of Members, taking into account the provisions of section 25." *

Agreement has now been reached among the interested Offices and divisions of the Department with respect to the use of *laissez-passer* by United Nations officials who are *foreign nationals*. A question remains concerning the attitude of the United States toward use of *laissez-passer* by officials who are *American citizens*. Shall American citizens who are United Nations officials be permitted to travel abroad on United Nations business when they possess United Nations *laissez-passer* without being required to secure a United States passport?

¹ Sent through the Acting Director of the Office of United Nations Affairs (Sandifer).

*Section 25 deals with visas and travel facilities. [Footnote in the source text.]

Recommendation:

The United States should recognize the United Nations *laissez-passer* as a valid travel document for United Nations officials who are American citizens, without requiring them to secure a United States passport, but without prejudice to their right to request one. An understanding should be reached with the United Nations, under which the United States would be furnished appropriate information concerning the issuance of *laissez-passer* to American citizens and their travel abroad.

Your concurrence is requested, for purposes of (a) presentation to Congress and (b) further discussions with the United Nations.

Discussion:

The United Nations General Assembly approved the Convention on the Privileges and Immunities of the United Nations on February 13, 1946. In the letter transmitting the Convention to Congress for approval, the Department stated, *inter alia*, that the *laissez-passer* contemplated by section 24 was to be not "a substitute for a passport or other documentation of nationality", but only "a certificate attesting to the United Nations affiliation of the bearer in respect to travel". When the Senate passed S.J. Res. 136 (Tab A²) during the 80th Congress (a joint resolution approving the Convention), it incorporated into the resolution specific language construing section 24 as not "amending or modifying the existing or future provisions of United States law with respect to the requirement or issuance of passports or of other documents evidencing nationality".

The Department's understanding that the *laissez-passer* was not intended to be a substitute for a national passport or its equivalent was by no means clear from the drafting history of the Convention; indeed there has never been agreement in the Department on this point. The United Nations Secretariat has challenged consistently the idea that the *laissez-passer* authorized by the Convention would not be fully acceptable as a valid travel document. Numerous conferences have been held between United Nations and United States officials on this question, and it has been the subject of a continuing correspondence during the last two years. The United Nations continues to urge upon the United States approval of the Convention without qualification as to the *laissez-passer* provision.

² *Foreign Relations*, 1947, vol. I, p. 48.

Since the House of Representatives had not completed action on S.J. Res. 136 when the 80th Congress adjourned, it was necessary to resubmit the Convention to the new Congress. This was done recently, in a communication from the Department which recorded the history so far of the *laissez-passer* provision without making any recommendation to Congress on this point.

The Department is now faced with the necessity of taking a definite position on the *laissez-passer*, vis-à-vis the United Nations and vis-à-vis Congress. It is to be noted that under existing United States laws and regulations an American citizen can be authorized to travel abroad without a passport;† thus, even if the interpretation written into S.J. Res. 136 by the Senate should be retained by Congress, it would be possible for the United States to recognize the United Nations *laissez-passer* as an unqualifiedly valid travel document. Accordingly, whether or not the construction appearing in S.J. Res. 136 is retained, the Department has a question of policy to determine in regard to recognition of the *laissez-passer*.

It is generally agreed by the interested offices and divisions of the Department that, if the United States is required by its international legal obligations to permit the travel abroad on official business of the United Nations officials who are American citizens, there is no purpose in preventing the travel of such persons on United Nations *laissez-passer* rather than United States passports. In such circumstances the requirement of a United States passport cannot serve as a means of exit control but only to inform the United States as to which of its citizens have left the country. This purpose, however, can be served as well by requesting the United Nations to inform the United States when an American citizen is sent abroad on a *laissez-passer*. In an opinion of the Legal Adviser dated August 17, 1948 (Tab B ³) it was concluded that the United States was obligated by the Charter of the United Nations to permit the travel abroad on official business of United Nations officials who are American citizens. Because, however, the Passport Division still questions the existence of such an obligation, it has objected to recognition of the United Nations *laissez-passer* so far as concerns American citizens.

†The requirement that an American citizen obtain a passport to travel abroad is an emergency regulation which by statute can be imposed only during a state of war or national emergency. [Footnote in the source text.]

³ Tab 3 is not printed.

FW 501.AC/2-1749

*The Secretary-General of the United Nations (Lie) to the Secretary of State*¹

LAKE SUCCESS, NEW YORK, February 11, 1949.

ACCESSION BY MEMBER GOVERNMENTS TO THE CONVENTION ON THE
PRIVILEGES AND IMMUNITIES OF THE UNITED NATIONS

SIR, I have the honour to refer to my letter No. 902-4-1-1/HS of 12 March 1948² by which I requested your Government to take such measures as may be necessary to facilitate its accession to the Convention on the Privileges and Immunities of the United Nations.

At the first part of its third session, the General Assembly again stressed the importance of this matter. By Resolution 259 (III) adopted on 8 December 1948, the Assembly emphasized that if the United Nations is to achieve its purposes and perform its functions effectively, it is essential that States Members should unanimously approve the provisions of the Convention. The Resolution further invites those States Members which have not yet acceded to the Convention to deposit their instruments of accession with the Secretary-General at the earliest possible moment.

Up to the present time, the instrument of accession of your Government has not yet been deposited and I have the honour therefore to request your Government to consider the terms of the Resolution and particularly the invitation contained therein.³

I have [etc.]

TRYGVE LIE

¹ Transmitted to the Secretary of State under despatch 200, February 17, 1949, from the U.S. Representative at the United Nations (Austin).

² For relevant documentation, see *Foreign Relations*, 1948, vol. I, pp. 48-50.

³ In instruction 108, March 30, 1949, the U.S. Representative at the United Nations (Austin) was requested by the Secretary of State to inform the Secretary-General that the Department had submitted to the Congress a request for favorable legislative action (501.AC/2-1749).

L/UNA Files: Folder "Privileges and Immunities *Laissez-Passer*"

Memorandum by the Director of the Office of Controls (Boykin) to the Assistant Secretary of State for Administration (Peurifoy)

[WASHINGTON,] February 23, 1949.

Subject: Use of UN *Laissez-Passer* by American UN Officials.

Reference is made to the memorandum dated February 2, 1949 from Mr. Sandifer and Mr. Tate, and its enclosures, addressed to you on the subject.

Problem:

Should the Department advise the Senate to accept the Convention on the Privileges and Immunities of the UN with the present reservations (S.J. Res. 136, 80th Congress) regarding the use of the UN *laissez-passer* provided in Article VII, or should the Department recommend acceptance without reservations.

Discussion:

1. Without reference to the proposed Convention, it is recognized that under the Charter of the UN the United States is obligated to permit the travel of American UN officials on business of the UN.

2. In normal times, this Government does not require an American citizen to be in possession of a passport in order to depart from or enter the United States.

3. So far as the use of UN *laissez-passer* by *alien* officials of UN is concerned, CON and VD have no objection, provided the Immigration and Naturalization Service is agreeable to the procedure, which will involve a commitment from UN that bearers of *laissez-passer* will be readmitted into the countries from which they proceeded to the United States. This procedure is now under study by VD, UNA and I&NS.

4. It is understood that the UN desires to have the *laissez-passer* accepted as a substitute for a national passport and that persons bearing a *laissez-passer* have the same status as persons bearing passports. In this connection it must be pointed out that an American passport is evidence of American citizenship. Furthermore, because it evidences American citizenship, it entitles the bearer to the protection of the American Government. The *laissez-passer* is not evidence of citizenship. As a matter of fact, an examination of the *laissez-passer* indicates there is no provision therein for citizenship or nationality. Even if there were such a provision, the UN could not be given the authority to determine who is or who is not an American citizen. Therefore, it is evident that a *laissez-passer* cannot be a substitute for an American passport. It can, however, be used as a travel document provided it is understood by the holder that it is not a substitute for a passport. Consequently, as this Government cannot accept the *laissez-passer* as a substitute for an American passport, there should be no objection to a statement to that effect by the Congress in approving Article VII of the Convention. Such a statement would put the bearers of *laissez-passer* on notice that it is not evidence of American citizenship and does not in itself entitle the bearer to the protection of this Government, which is an assumption that some Americans might make.

5. Under the provisions of the Presidential Proclamation of November 14, 1941 and the Regulations promulgated by the Secretary

of State on January 15, 1942, the Secretary of State exercises, in time of war or during the present *national emergency*, control over the exit, entry and travel of American citizens. The *national emergency* still exists. Under this emergency operation, the Secretary requires in the interest of national security that American citizens who desire to proceed abroad (except in the Western Hemisphere) be in possession of a passport, but he may, and has, waived this requirement in individual cases, permitting departure without a passport.

The Office of Controls and the Passport Division agree that, in cases involving American UN officials who desire to travel on UN business, either an American passport will be granted to such officials, or the passport requirement will be waived on an individual case application basis, and they will be permitted to depart without a passport, presumably with a *laissez-passer*.

It is submitted that in time of national emergency, *as at present*, no blanket waiver of the passport requirement for American UN officials should be considered by the Department without consulting with those government agencies responsible for national security.

There are attached hereto a memorandum dated February 7, 1949 from Mr. Scanlan, a memorandum dated February 16, 1949 from Mrs. Shipley, and a copy of the report of the Senate Committee on Foreign Relations, 80th Congress, on the subject.¹

Recommendations:

1. That the UN *laissez-passer* be recognized as a travel document and credential, but not as a substitute for an American passport, and that the Congress be advised to retain the present reservations as contained in S.J. Resolution 136, 80th Congress.

2. That no blanket waiver of the passport requirement under the emergency control procedure be made for American UN officials without consulting the agencies responsible for national security.

¹ Memoranda not found in Department of State files.

501.AC/3-849

The Secretary of State to the Attorney General of the United States
(Clark)

WASHINGTON, March 8, 1949.

MY DEAR MR. ATTORNEY GERERAL: Reference is made to the Headquarters Agreement between the United States and the United Nations, as approved Public Law 357, 80th Congress.

In recent weeks applications for temporary visitor's visas have been made to United States consulates abroad, by individuals coming within Section 11(4) of the Headquarters Agreement ("representatives of non-governmental organizations recognized by the United Nations for the purpose of consultation under Article 71 of the Charter") who apart from the Agreement would appear to be inadmissible under the immigration laws. In these cases the Department of State has authorized the issuance of limited visas marked "valid for transit from port of entry to United Nations headquarters and return for departure abroad". It is anticipated that similar cases may arise involving other individuals to categories 11(3), 11(4) or 11(5) of the Agreement, and these individuals may also receive limited visas of the kind indicated.

The United Nations has requested that the individuals in question be admitted to the United States for purposes connected with the activities of the United Nations. In view of this request, of the provisions of the Headquarters Agreement, and of the obligations of the United States as host to the United Nations, any unnecessary obstacles or delays in the admission of these individuals would be embarrassing to this government in its relations with the United Nations, and perhaps with the governments of which the individuals concerned are nationals.

The Department of State would appreciate, therefore, if you would issue instructions to the immigration authorities at the ports of entry to honor promptly the limited visas of the kind indicated, and to permit the individuals in question to enter the United States for transit to and from the United Nations headquarters district and for sojourn therein and in its immediate vicinity.

Sincerely yours,

For the Secretary of State:
JOHN E. PEURIFOY
Assistant Secretary

USUN Files : 1 "Privileges & Immunities : Delegations"

*Memorandum by the Deputy Secretary-General of the United States
Mission at the United Nations (Power) to the United States Representative at the United Nations (Austin)*

CONFIDENTIAL

[NEW YORK,] April 25, 1949.

Subject: Visit to the Mission of Mr. L'Heureux, Chief of the Visa Division, to Confer on Visa Matters regarding UN-Connected Personnel

Mr. L'Heureux, Chief of the Visa Division, is being sent by Mr. Boykin, Director of the Office of Controls, to discuss with us on

¹ Central unnumbered subject files retained at the Mission.

Tuesday, April 26, outstanding problems regarding issuance of visas to persons connected with UN activities. It would be very helpful to us if you would take a few moments to greet Mr. L'Heureux on Tuesday morning. We should also like to invite him to the Delegation meeting if one is held.

Mr. L'Heureux's specific assignment is to discuss your proposal to the Department, in a Despatch dated February 8, that visas of Delegation members be renewed on the same courtesy basis as for Embassy personnel in Washington.² Our proposal sprang from requests for such renewals from the Canadian, Norwegian and Belgian Delegations in particular. VD told us it lacked personnel to handle such requests. However, Delegations feel the Department's unwillingness to renew visas of their members indicates that we considered them second-class diplomats. Therefore, we recommended that Mr. Maffitt, who holds a commission as a Consul, be authorized to renew visas. We had no reply to your note, despite repeated requests. When I called the delay in reply to Mr. Boykin's attention a few days ago, he ordered Mr. L'Heureux to come to New York to deal with the matter.

The visa renewal procedure should be easily arranged, for we know VD is preparing to handle renewals although we have not been officially so informed. Therefore, we wish to take the opportunity of Mr. L'Heureux's visit to renew our suggestion to the Department that comprehensive instructions be sent Consular officers regarding the issuance of visas not only to Delegations and Secretariat officials but also to other persons who, under the terms of the Headquarters Agreement, are entitled to particular treatment or consideration. These include representatives of Non-Governmental Organizations, journalists, and other public information personnel; persons invited to the Headquarters District by the Secretary-General or UN organs or agencies, and dependents and servants of Delegation and Secretariat personnel. Despite our repeated suggestions, the Department has not adequately instructed Consular officers on these matters, with the result that a great deal of confusion exists in the field, and difficulties constantly arise to embarrass us.

We plan a full and friendly discussion of visa matters with Mr. L'Heureux. We shall not, of course, indulge in recriminations. As an experienced Foreign Service Officer, Mr. L'Heureux should recognize the importance of effective and efficient procedures to comply with the requirements of US law and treaty obligations, and at the same time to preserve our good relations with Delegations, the Secretariat, and public opinion. We will present concrete suggestions for improv-

² USUN despatch No. 138, February 8, 1949, not printed. Ambassador Austin had made a strong request for "favorable action", closing the despatch with the hope for such "at any early opportunity." (USUN Files, Folder "IO:P&I:Dels")

ing the situation in the light of our national interest. We shall also arrange for the appropriate UN officials to meet with Mr. L'Heureux.

As you are aware, we have to spend an enormous amount of time and energy in resolving visa problems. In many instances the Visa Division, were it not restrained, would have violated the Charter and the Headquarters Agreement. Although the situation has improved during the past year after my several conferences in the Department, the assignment of an officer of UNI to follow such work on an almost full-time basis, and our unrelenting efforts via phone, cable and mail, the situation is still far from satisfactory. A number of procedures which we have established with VD after long discussions are not working smoothly. Action by VD is also entirely too slow for our needs on many occasions in connection with visas for NGO representatives and journalists. Time after time we have to handle visa problems on a crisis basis with repeated memoranda and phone calls to the Department and frequent appeals to Mr. Rusk,³ Mr. Gross,⁴ or other ranking officers of the Department to intervene to avert violation of our international agreements.

[Power then offers on a personal basis an explanation of USUN's difficulties with the Visa Division.]

³ Dean Rusk, Deputy Under Secretary of State (see editorial note, p. 1).

⁴ Ernest A. Gross, Assistant Secretary of State for Congressional Relations. The reference obviously refers to the period when Gross was Legal Adviser of the Department of State, August 16, 1947-March 3, 1949.

A/MS Files : Lot 54D291 (V), Box 53, "Passports & 9th Proviso"

Memorandum by the Secretary-General of the United States Mission at the United Nations (Winslow) to the Director of the Office of Controls (Boykin)

[NEW YORK,] 29 April 1949.

Subject: Visit of Mr. Herve L'Heureux to New York

The results of Mr. L'Heureux's visit to the Mission on Tuesday¹ even exceeded our greatest expectations. I believe the results were mutually very beneficial not only with respect to finding immediate satisfactory solutions to certain former problems but also in the line of laying a basic ground-work of understanding and collaboration which will prevent the development of many previously recurring types of problems.

We were very favorably impressed with Mr. L'Heureux's additional suggestions that: (1) other personnel be encouraged to visit the Mission and UN for similar reasons, and (2) great mutual value would

¹ April 26.

result from having a liaison officer from the Immigration Division be permanently detailed to the Visa Division and vice versa, in a manner comparable to the present detailing of a representative from the Legal Adviser's office to the Visa Division.

We are very grateful for your having suggested and arranged the visit of Mr. L'Heureux, and we will certainly be prepared at all times to receive any others for whom you think a visit to the Mission and UN would be helpful.

L/UNA Files : Folder "Privileges and Immunities *Laissez-Passer*"

Memorandum by Mr. Leonard C. Meeker, Assistant to the Legal Adviser, to the Deputy Assistant Secretary of State for Administration (Hulten)

[WASHINGTON,] June 15, 1949.

Subject: United Nations *Laissez-Passer*.

Some time ago, at a meeting in your office attended by representatives of CON, UNA, and L, it was agreed that the Office of the Legal Adviser would draft a letter to the Attorney General outlining a proposed procedure for treatment of the United Nations *laissez-passer* by the United States. In accordance with the discussion which took place at that time, I have drafted the attached letter, which has been approved by Mr. Tate and Mr. Sandifer. It is now sent to you for your clearance.

LEONARD C. MEEKER

[Attachment]

MY DEAR MR. ATTORNEY GENERAL: Over a considerable period of time the Department of State has had under consideration proposals and requests from the United Nations that the United States recognize and treat the United Nations *laissez-passer* as a valid travel document for officials of the United Nations traveling on business of the Organization.

The United Nations *laissez-passer* is provided for in Section 24 of the Convention on the Privileges and Immunities of the United Nations. That section reads :

"The United Nations may issue United Nations *laissez-passer* to its officials. These *laissez-passer* shall be recognized and accepted as valid travel documents by the authorities of members, taking into account the provisions of Section 25."*

This Convention, approved by the General Assembly pursuant to Article 105(3) of the Charter, has now been ratified by a large number of the members of the United Nations. In transmitting the Con-

*Section 25 deals with visas and travel facilities. [Footnote in the source text.]

vention to Congress for approval, the Department of State said, *inter alia*, that the *laissez-passer* contemplated by Section 24 was to be not "a substitute for a passport or other document of nationality" but "a certificate attesting to the United Nations affiliation of the bearer in respect to travel". When the Senate passed S.J. Res. 136 during the 80th Congress (a joint resolution approving the Convention), it incorporated into the resolution specific language construing Section 24 as not "amending or modifying the existing or future provisions of United States law with respect to the requirement or issuance of passports or of other documents evidencing nationality".

Officials of the United Nations, in subsequent discussions with officers of the Department of State, have communicated the United Nations view that this construction of Section 24 is not in accord with the intent and purpose of the Convention concerning United Nations *laissez-passer*. Since the House of Representatives had not completed action on S.J. Res. 136 when the 80th Congress adjourned, it was necessary to resubmit the Convention to the 81st Congress. This was done in January, 1949, in a letter from the Department of State which recorded the history so far of the *laissez-passer* provision. While the Department made no explicit recommendation to Congress on this point, the draft resolution proposed to Congress contained no interpretation or reservation on Section 24 of the Convention.

The question of recognition and treatment of *laissez-passer* as a valid travel document for officials of the United Nations traveling on business of the Organization, so far as American citizens are concerned, is affected by certain provisions of United States law currently applicable because of the existence of a state of war or national emergency. These provisions make it unlawful for an American citizen to leave the United States without a passport, unless he comes within certain specified categories (such as travelers bound for destinations in the Western Hemisphere). Act of May 22, 1918 as amended (40 Stat. 559, 55 Stat. 252) ; Presidential Proclamation No. 2523 dated November 14, 1941 ; Regulations Promulgated by the Secretary of State January 15, 1942 (22 C.F.R., secs. 58.2-58.11). In the opinion of the Legal Adviser of the Department of State, the United States is obligated by the United Nations Charter to permit the travel abroad on official business of United Nations officials who are American citizens. Under this view, the Secretary of State must either issue a passport to such an official for travel abroad on United Nations business or permit the official to go without a passport. The official might in either case be the bearer of a United Nations *laissez-passer*.

While Congress has not yet taken action with regard to the Convention, such action is not necessary to recognition by the United States of the *laissez-passer* as a valid travel document. Particularly in view

of the role of the United States as host to the United Nations, the United Nations has expressed the hope that, regardless of Congressional action on the Convention, the United States Government would, by executive action, give the *laissez-passer* the recognition intended for it by the Convention on the Privileges and Immunities of the United Nations.

Under the existing circumstances, the Department of State intends now to establish a regular procedure in regard to use of the *laissez-passer* by United Nations officials who are American citizens.

Under this procedure, the Department would be notified by the United Nations in each case of the issuance of a *laissez-passer* to a United Nations official who claims United States nationality. When such an official is to leave the United States on United Nations business, the United Nations would notify the Department as far in advance of departure as practicable, giving information as to identity of the official, place and time of departure, destination, and probable length of absence from the United States. The Department of State would communicate such information, immediately upon receipt, to the Immigration and Naturalization Service of the Department of Justice, so that no obstacles will be placed in the way of the individual's departure or subsequent return. Any such official concerning whom the United Nations had furnished the required notifications would then be able to leave the United States without further formality. The only exception would be in a situation where the Secretary of State considered that departure of such an official clearly and presently threatened the national safety of the United States, so as to warrant the United States in preventing departure.

The Department envisages the establishment of the above-outlined procedure through amendment of the Departmental Regulations referred to earlier in this letter, and through agreement with the Secretary-General that the United Nations shall give the necessary notifications to the Department of State.

Nothing in the procedure contemplated would preclude a United Nations official who is an American citizen from applying, as before, for a United States passport; and one would be issued to him if he qualified.

The Department of State intends to hold discussions on the question of *laissez-passer* with officials of the United Nations Secretariat in July, and would be interested in any comments which the Department of Justice may have on the proposed procedure.¹

Sincerely yours,

Acting Secretary

¹ No action seems to have been taken in the Department on this letter in 1949 (UNA memorandum, Sandifer, Nov. 22, 1949, L/UNA files and L memorandum, Tate, May 8, 1950, L/UNA files).

IO Files ¹: SD/A/C.5/133

*Position Paper Prepared for the United States Delegation to the
Fourth Regular Session of the General Assembly* ²

RESTRICTED

[WASHINGTON,] September 2, 1949.

TAX EQUALIZATION

THE PROBLEM

The Secretary-General is preparing a report on the system established for the achievement of tax equalization with respect to the salaries of Secretariat officials. The report will cover the operation of the staff assessment plan, and will undoubtedly indicate what action, if any, the Member governments have taken to implement the General Assembly Resolution, by outright exemption or otherwise, to relieve their nationals on the Secretariat of double taxation. Should the United States concur in approving the report? If the United States Congress and the Canadian Parliament fail to take the necessary action to implement the General Assembly Resolution, what position should the Delegation take as to continuing the practice of reimbursement to United States and Canadian nationals on the Secretariat for taxes paid to their Governments?

RECOMMENDATION

1. Insofar as one can anticipate what will be included in the report of the Secretary-General, it is recommended that the United States Delegation concur in approving the report. With regard to the Resolution 239 (III) of the Third Session of the General Assembly (1948) asking Member nations to take the necessary action to relieve their nationals of double taxation, the Delegation should indicate that the Congress of the United States has been requested to take such action ³ and that it hopes that Congressional action will be forthcoming either this session or early next year.

¹ Short form for the master files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State.

² Drafted in the Office of United Nations Affairs. For documentation regarding the organization and composition of the U.S. Delegation to this session of the General Assembly, see pp. 12 ff. The General Assembly convened at Flushing Meadow, New York, on September 20.

³ This was done in a letter of the Secretary of State to the President of the Senate (Vice President Barkley), dated July 25, 1949; for text of this letter and accompanying explanatory memorandum, see the *Congressional Record*, vol. 95, pt. 9, pp. 10397-10399. On July 29 Sen. George, Chairman of the Senate Finance Committee, introduced legislation to amend the U.S. Internal Revenue Code and that of the District of Columbia along the lines set forth in the Departmental communication (S. 2345). A similar bill was introduced in the House of Representatives on August 15 by Rep. Doughton, Chairman of the House Ways and Means Committee (H.R. 5993).

2. The United States Delegation should take no position as to whether the General Assembly should extend for another year the authorization to reimburse UN employees for taxes and should take no stand on whether an item for reimbursement should be included in the regular 1950 budget. The Delegation should, however, insist that, if it is necessary to make reimbursements out of the Working Capital Fund in respect of taxes paid on 1949 salaries, as provided in the 1948 Resolution, the Working Capital Fund be replenished by an appropriation in the 1949 Supplemental Budget, and not by special, additional assessments imposed on the Members whose nationals in the Secretariat receive tax reimbursements.

DISCUSSION

1. The report of the Secretary-General on the permanent headquarters of the United Nations will probably not be issued in time to permit its examination prior to the opening of the General Assembly session. Judging from the section on this subject contained in the Secretary-General's annual report, the report on tax equalization will contain no controversial matters. It will merely set forth how the staff assessment plan has been operating since its introduction on January 1, 1949.

The report will undoubtedly contain, however, a reference to the fact that neither the United States nor Canada, the two nations at whom the Resolution 239 (III) was directed, has completed the action requested by the General Assembly Resolution on double taxation. This Resolution provided:

"The General Assembly,

Desiring to achieve both equity among the Member States and equality among members of the staff of the Organization and

Noting that certain Members have not yet taken the necessary action to that end,

Requests

That Members which have not acceded to the Convention on Privileges and Immunities of the United Nations or which have acceded to it with reservation as to its article 18 (b), take the necessary action legislative or other to exempt their nationals employed by the United Nations from national income taxation with respect to their salaries and emoluments paid to them by the United Nations, or in any other manner to grant relief for double taxation to such nationals."

In this regard, the Delegation should state that the Congress of the United States has been requested to take the action recommended by the General Assembly, and it is hoped that Congressional action will be forthcoming either this fall or early next year. It is expected that the provisions of any legislation enacted will be made retroactive so

that United States nationals would not pay a tax on the salaries they received during the calendar year 1949.

The legislation submitted to Congress would exempt from federal income tax the salaries paid by the United Nations to United States nationals on the Secretariat. The legislation provides, however, that while this income is not subject to tax, it shall be included in the individual's gross income for the purpose of determining the rate of tax which should apply to any income the person may have from other sources. This was inserted in the bill in order to prevent the individual from getting a "windfall" by having his non-United Nations income taxed at a lower rate. The United States believes that this legislation, if enacted, would constitute full compliance with the General Assembly Resolution.

For the information of the Delegation, the tax legislation was submitted to Congress late in the session, only after it became clear that there would be no action on the Convention on Privileges and Immunities of the United Nations which also contains a tax exemption provision. The new bill has not yet been considered by the House Ways and Means Committee, and since this is a revenue bill which must originate in the House, the Senate Committee will not consider the bill until after the House passes it. It had been hoped that the House Committee would act on the bill during the month of August. The House of Representatives however, has virtually recessed for about a month, and it will probably be late in September before the Ways and Means Committee takes it up.

Nevertheless, there is still a possibility that Congressional action will be completed before the Congress adjourns (perhaps in October). If action is not completed, every effort will be made to secure Congressional action early in 1950. While there is doubt as to whether Congress will grant the requested tax exemption, it is believed that Congress will grant at least a "tax credit". Such a credit would permit United States nationals to credit against taxes due to the United States sums paid to the United Nations under the staff assessment plan. Since the rates of the United Nations staff assessment plan are somewhat higher than current United States income tax rates, the United States nationals on the Secretariat will, generally, pay no tax to the United States. Provision for such tax credit would also constitute full compliance with the General Assembly Resolution of 1948.

So far as Canada is concerned, its Delegation has informally indicated that it will implement the General Assembly Resolution if the United States does. As of this writing, they have not yet taken action.

2. Provision for Reimbursement

In order to provide for the contingency that the United States and Canada might not take the action necessary to protect their nationals

on the Secretariat against double taxation, the Third General Assembly authorized the Secretary-General to make reimbursement for taxes paid by Secretariat employees on salaries received during 1949, if necessary, drawing on the Working Capital Fund for this purpose.

Whether such reimbursement will be necessary depends, of course, on whether the United States and Canada take the action requested of them. If, when the General Assembly considers the matter, the action of both Governments in this regard is still uncertain, it will be necessary to provide for the contingency that reimbursement will be necessary and replenish the Working Capital Fund out of a special appropriation in the 1949 Supplemental Budget. The United States Delegation should oppose any proposal for a special assessment on the United States and Canada to replenish the Working Capital Fund for sums paid out in reimbursement of the nationals of these two countries for taxes paid to their Governments. The Delegation should indicate that the United States is unalterably opposed to special assessments in the implementation of general policies approved by the General Assembly and point out that tax reimbursement was authorized by an overwhelming majority of the General Assembly in a vote in which the United States abstained.

If United States and Canadian action on the 1948 Resolution is still uncertain, the General Assembly will also have to consider whether to provide for reimbursement for taxes which might be paid by United States and Canadian nationals on their 1950 salaries. It is hoped and believed that such reimbursement will not be necessary. It is advisable, however, that the Delegation not participate in the discussion or vote on this point. The United States agrees that equality of treatment with respect to salaries requires that all Secretariat officials regardless of nationality bear similar tax burdens. United States nationals on the Secretariat who, like their colleagues, pay a United Nations staff assessment should not therefore have to bear the burden of an additional national tax. For this reason, as has been indicated, the Executive has sought Congressional action to relieve these United States nationals from their Federal income tax. So long as Congress fails to act, the United Nations must choose between letting the United States nationals on the Secretariat bear the burden of two taxes, or relieve these United States nationals of this additional burden by reimbursement. The latter, of course, means that the general budget of the Organization will, in effect, be contributing to the United States and Canadian Treasuries in the amounts of these tax reimbursements. In the past, when faced with this dilemma, the United Nations has chosen to reimburse although the idea was not entirely popular with many Member delegations. In view of the fact that this difficult choice is, in a sense, imposed on the United Nations by the failure of the United

States Congress to act, the United States, while it may prefer continuation of the reimbursement practice, should not participate in the decision. In no event will the United States agree to accept a special assessment to offset reimbursement if the latter is authorized.

501.BB/10-449 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

RESTRICTED

NEW YORK, October 4, 1949—3 p. m.

Delga 53. GADel, after detailed consideration income tax exemption and reimbursement questions,¹ concerned damage US position earnest support UN by continued failure to adopt required legislation and notable inconsistency US position on contributions in light US lack of action on taxes.

Total amount tax reimbursements now approach \$900,000. To representatives many countries larger budget item than total cost foreign offices. Other member contributions to this item approximately \$600,000 considered even by delegations friendly to US as direct contribution US Treasury.

Great importance attached to additional action by executive particularly in the light of statements by last GADel generally interpreted by other delegates promise by executive branch for strong pressure Congress necessary legislation. Much of beneficial effect US approval UN building loan as well as general US support UN may be lost if US unable to offer adequate answer to tax question.

GADel believes that it has responsibility, if requested by other members, to state clearly status in Congress of proposal for exemption and probable time Congress will make decision whether favorable or unfavorable. GADel suggests Department may wish to renew appeal to Congress for action along lines already proposed (1) ac-

¹The U.S. Delegation engaged in lengthy discussion on this matter on October 3, which was continued on October 4 (IO Files, Minutes of the 12th and 13th meetings of the U.S. Delegation, documents US/A/M(Chr)/106 and US/A/M(Chr)/107). At the latter meeting, it was

“pointed out that the draft telegram before the Delegation attempted to explain our concern at the failure of the Congress to take action on legislation regarding tax exemption of United States nationals on the Secretariat. [The Congress was in its last weeks, adjourning on October 19.] It stated our intention to make a forthright admission of this fact in the committee [the Fifth Committee of the General Assembly] and urged the Department to request the President or the Secretary to renew the request for legislative action in the hope that a statement might be forthcoming from the chairmen of the appropriate committees that action would be undertaken early next year. It was hoped that such a statement might be obtained before the item came up on the agenda [of the committee]. Of course, it was realized that no commitment could be made as to whether the action taken would be favorable.” (*ibid.*)

ceptance of the privileges and immunities convention, including provision for complete exemption US nationals in secretariat from taxation, or (2) amendment of internal revenue double taxation provisions to provide for credits on US income taxes of staff contributions paid UN.

Difficulty any Congressional action this fall fully recognized, but GADel has noted statement chairman appropriate committee that tax revision will be undertaken next year. Suggest possibility renewed request for action by the President or Secretary followed by comment or statement from committee chairman or leaders indicating that subject will be fully considered and Congressional decision made early next session. Recognized leaders cannot commit as to outcome but firm decision to fully consider January would be most helpful.

AUSTIN

501.BB/10-549 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL

WASHINGTON, October 6, 1949—8 p. m.

528. Pending clarification possible action tax legis this session (Gadel 31, Oct 5¹), Dept believes it advisable officially inform SYG action taken in this regard. SYG transmittal this communication to Fifth Comite may relieve pressure on Del.

Suggest communicating SYG along following lines:

“I have the honor to refer to Resolution 239 (III) C adopted by the General Assembly at its third session requesting members which have not done so to ‘take the necessary action, legislative or other, to exempt their nationals employed by the United Nations from national income taxation with respect to their salaries and emoluments paid to them by the United Nations, or in any other manner to grant relief from double taxation to such nationals.’

I have the honor to inform you that, in addition to seeking Congressional approval of the Convention on Privileges and Immunities of the United Nations, the Department of State of the United States Government has asked the Congress to take specifically the action requested in the above resolution of the General Assembly. A copy of the bill proposed by the Department of State is attached. The Department of State is confident that this bill or other legislation constituting compliance by the United States Government with the above resolution will receive sympathetic consideration by the Congress either at the

¹ Not printed.

current session of Congress or at the session beginning in January 1950.”

WEBB

501.AC/10-1549

Memorandum of Conversation, by the Director of the Office of International Trade Policy (Brown)

[WASHINGTON,] October 15, 1949.

Participants: Representative Doughton, Chairman, House Ways and Means Committee
Mr. Brown, ITP

I called on Mr. Doughton and explained to him that we were in an embarrassing situation at the UN because of our failure to have legislation exempting our representatives from taxation when they paid an equivalent amount into the UN staff funds. I asked him whether his committee would be willing to consider the matter early next session, as one of the elements in our embarrassment was the uncertainty as to when the Congress was going to act and what it was going to do. The Chairman said I could assure representatives of the other Departments that the Chairman would see that the matter was considered early next session if the State Department made a request that the committee do so. He asked that a formal letter to this effect be sent to him when the Congress reconvened.

I expressed our appreciation of this action.¹

[Here follow brief remarks concerning the recent renewal by the Congress of the Trade Agreements Act.]

¹ In November the Department was laying plans to “make every effort to get Congressional action on this legislation by March 15, 1950”, and moving the item to Part I—“Legislation of Primary Importance”—in its legislative program for the 2nd Session of the 82nd Congress (memorandum, UNA, Sandifer, to H. Ben H. Brown, Jr., November 14, 1949, 811.032/11-1449).

THE EAST-WEST CONFLICT IN THE UNITED NATIONS SETTING

I. THE "ESSENTIALS OF PEACE" RESOLUTION¹

IO Files : US/A/1272²

*Preliminary Position Paper Prepared by the Staff of the United
States Delegation to the General Assembly*³

SECRET

[New York,] March 30, 1949.

SUGGESTED U.S. POSITION IN THE EVENT THAT THE SOVIETS ATTEMPT
TO CENSURE THE ATLANTIC PACT⁴ IN THE GENERAL ASSEMBLY OR
PAVE THE WAY FOR A PROPAGANDA "PEACE OFFENSIVE"

THE PROBLEM

There are indications that the USSR may launch a propaganda attack against the Atlantic Pact at the forthcoming session of the General Assembly, seeking to make it appear that the Pact is in conflict with the Charter and is an expression of an aggressive and provocative policy by the United States.⁵ Such a course might be intended

¹ Documentation on consideration by the General Assembly of the question of disarmament and international control of atomic energy is included in compilations on United States policy at the United Nations with respect to regulation of armaments and collective security which appear in *Foreign Relations*, 1946, volume 1; *ibid.*, 1947, volume 1; *ibid.*, 1948, volume 1; and in 1949, volume 1. For documentation on consideration by the Second Session of the General Assembly of the Soviet draft resolution on warmongering, see *ibid.*, 1947, volume 1. For documentation on consideration by the Third Regular Session of the General Assembly of a Mexican proposal for an appeal to the Great Powers to compose their differences and establish a lasting peace, see *ibid.*, 1948, volume 1.

² Master files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State.

³ The second part of the Third Regular Session of the General Assembly met in New York from April 5 to May 18, 1949, completing action on those agenda items not disposed of during the first part of the Third Session, held in Paris, September-December 1948.

⁴ For documentation concerning the North Atlantic Treaty, see volume IV.

⁵ Telegram 701 from Moscow, March 19, suggested the possibility of the introduction by the Soviet Union of a spectacular proposal for the outlawing of regional military pacts (711.61/3-1949). Chargé Foy D. Kohler further stated, in telegram 728, March 22, "It being reasonable assumption primary Soviet foreign policy objective at moment is disruption or at least as long as possible delay in ratification this Pact by signatory countries, and considering emphasis and space devoted peace propaganda since warmongering and disarmament issues first injected in GA, it would seem unlikely Soviets would pass up opportunity use UN forum wage battle spectacular issue NA Pact." (501.BB/3-2249)

Documentation on developments within the Soviet Union of concern to relations with the United States and other nations is scheduled for publication in volume V.

in order to intimidate various members of the United Nations, particularly certain parties to the proposed Atlantic Pact, and to create an atmosphere in which a further Soviet "peace offensive" might obtain for the USSR further political or strategic advantages.

The problem is to determine what position the United States should take with respect to such a maneuver by the USSR.

RECOMMENDATIONS

1. The Delegation should not oppose the placing of such an item on the agenda of the General Assembly, but should endeavor to prevent any Soviet attempt to use the General Committee for substantive discussion of this issue. The matter, if placed on the agenda, should be referred to Committee 1 without prior extensive discussion in a plenary, although a limited general debate may prove unavoidable.

2. The first major statement on such a subject should be made by the U.S. representative at an early stage of Committee 1 proceedings on the issue; it might, however, be necessary for a U.S. representative to make a brief counter-statement in an early plenary meeting if Soviet tactics force a limited general debate.

3. The Delegation should, unless the Soviets resort to extraordinarily abusive and reckless language or open up wider issues, content itself with a moderate and straightforward exposition in general terms of the true meaning of the Pact within the framework of the Charter.

4. The Delegation should let the European parties to the Pact take the lead in any direct reference to the dangers of Soviet aggression.

5. In the event that the Soviets insistently press issues beyond that of the relationship of the Pact to the United Nations and engage in extreme charges against the United States, the Delegation should vigorously refute such additional charges, drawing concise and mildly sarcastic contrasts between American policies and Soviet-Communist practices.

6. The Delegation should act in concert with the delegations of other governments who are parties to the Pact in devising appropriate means of quashing or, if necessary, countering any Soviet resolution condemnatory of the Pact or of regional defense arrangements generally.

DISCUSSION

1. The U.S. has consistently favored the right of full and free discussion by the General Assembly even when items proposed are, in this Government's opinion, tendentious or lacking in a sound basis. It is true that our position is to discourage the addition to the forthcoming GA agenda of items beyond those whose handling was not

completed at Paris; nevertheless, a Soviet move of the type envisaged would raise extremely important issues for the international community, and it would be undesirable either to block the free expression of the views of the Members on this issue or to have it appear that the U.S. was unwilling or unable to answer the charges made against it. We are assuming that, as a continuation of the Third regular session, the forthcoming meetings do not justify a full-scale general debate. If the Soviets bring up the item under discussion, they may try to turn the early plenaries into a wide open general debate or utilize General Committee procedures to gain an initial propaganda advantage. Any such moves should be limited so as not unduly to delay efficient handling of the Assembly's business. It may prove necessary for the U.S. representative, possibly the Secretary if circumstances permit, to make a short statement on the Pact at an early plenary meeting.

2. On the assumption that there will not be a full-scale general debate and that the General Committee would not discuss the matter substantively, the main statement by the U.S. delegate would be made in Committee 1 and at a very early stage, presumably right after the opening statement which the Soviets could be expected to make in explanation of the item which they had proposed. It may, however, be necessary for the U.S. to make a preliminary reply in an opening plenary if the Soviets manage first to develop their argument at that stage. Such a preliminary United States reply should be brief, pointing out that this Government prefers not to delay the Assembly's getting down to business and that it will make a full statement in Committee 1 at the proper time.

3. It is desired, insofar as possible, to keep discussion of such an item within the bounds of United Nations aspects and considerations. Our reply should be measured and calm, explaining what the Pact is, why it was negotiated, and how it fits into the framework of the United Nations. The President's message to the Senate,⁶ the Secretary's report to the President,⁷ and the Secretary's radio address of March 18⁸ on the Pact should be a guide to such a presentation. In addition, the Delegation can emphasize the publication of the treaty text before signature and the free discussion of the issues involved which such advance publication permits by parliamentary bodies and the public in the democratic countries expected to adhere. Appropriate

⁶ For text of President Truman's message transmitting the North Atlantic Treaty to the Senate, April 12, 1949, see Department of State *Bulletin*, May 8, 1949, p. 599.

⁷ For text of the Secretary of State's report to the President on the North Atlantic Treaty, April 7, 1949, see *ibid.*, April 24, 1949, p. 532.

⁸ For text, see *ibid.*, p. 384.

mention should also be made of the fact that the Pact will be duly registered with the United Nations.

4. The European countries involved can take the lead in any direct references to the dangers of Soviet aggression more fittingly than we because it is they who are more immediately exposed to such dangers. It would be desirable for their presentations to complement ours in this fashion so far as circumstances may require.

5. It is recognized that if the Soviet propaganda attack is exceptionally severe and on a broader front, the Delegation may have to broaden and stiffen its own presentation. In that event it may become necessary to :

(a) Emphasize how the Security Council has been paralyzed by the arbitrary use of the veto by the Soviet Union ;

(b) Dwell on the Soviet alliance system with the satellites as an instrument of Soviet domination ;

(c) Contrast the efforts of the democratic western countries to work together for reconstruction and increased security with Soviet-Communist efforts to delay recovery outside their sphere and to sow disorder ;

(d) Expose how Communist propaganda distorts the aims and policies of the free countries and plays upon the desire of the world's people for peace in order to spread disunity and fear.

The range of issues which the Delegation may cite will be suggested largely by the scope and intensity of the Soviet charges. It is suggested that United States counter-statements of this type, if needed, should embody a series of concise, sharp comparisons on topics raised between American (or western) policies and Soviet-Communist practices in the same fields. Among such topics, the questions of disarmament, treaty observance, and respect for human rights and freedoms may be referred to.

6. In the event that the Soviets present a draft resolution condemnatory of the Pact or of regional defense arrangements, appropriate means of dealing with it can best be devised by the Delegation acting in concert with the delegations of other Pact participants and possibly with the representatives of leading Latin American states. The simplest solution would be merely to secure the defeat of such a resolution. However, if the course of the discussions on this subject are such as may be likely to cloud the atmosphere and produce uncertainty in world public opinion, it may be necessary for the Delegation to consider some counter proposal along constructive lines. The nature of any such counter proposal would have to be determined in the light of circumstances which may develop, and in consultation with the other interested delegations and the Department.

501.BB/4-949 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

CONFIDENTIAL

NEW YORK, April 9, 1949—6:11 p. m.

Delga 17. Main theme Soviet line so far advanced UNGA is that Anglo-American bloc and primarily US committed world domination by force. Bloc allegedly employing following means in pursuit this objective:

1. "Undermining" UN by repeated violations Charter and particularly by setting up illegal organs such as Interim Committee to circumvent SC and nullify unanimity principle. Malik¹ on one occasion went further than usual references to undermining by asserting bloc seeks "liquidation" UN. Soviets are evidently building case to justify withdrawal from UN if and when they find this desirable. There is no indication such withdrawal is presently envisaged. Charges that we are seeking liquidation UN should be borne in mind, however, in connection with favorite Soviet tactic charging others with doing what they would do themselves.

2. Anglo-American bloc has reverted to aggressive policy "isolating" Soviet Union which preceded World War II. Although Atlantic Pact for tactical reasons has not yet been singled out for general attack, it has been cited in passing by Soviet delegates as most recent evidence this policy. Theme of "isolation" may be calculated replace that of "capitalist encirclement" which had such vogue in twenties and thirties, but which no longer aptly describes situation Soviet Union in light post war establishment surrounding bulwark peoples democracies.

Sent Department; repeated Moscow, London and Paris.

AUSTIN

¹ Jacob A. Malik, Vice-Chairman of the Soviet Delegation to the Second Part of the Third Session of the General Assembly; Deputy Minister for Foreign Affairs of the Soviet Union.

IO Files : US/A/M(Chr)/88

*Minutes of the Sixth Meeting of the United States Delegation to the
Second Part of the Third Session of the General Assembly,¹ New
York, April 13, 1949, 9:15 a. m.*

SECRET

[Here follow a list of persons(44) present, discussion of the terms of reference of the Delegation's Committee on Public Opinion Policy, and consideration of the question of voting in the Security Council.]

¹ Information on the composition of the United States Delegation is included in documentation on organization and arrangements for the conduct of United States relations with the United Nations, pp. 1 ff.

Mr. Dulles² stated that he thought the Soviet Delegation might find this question of voting in the Security Council an appropriate platform from which to launch an attack on the Atlantic Pact. He thought there was very good likelihood that the usual Soviet polemics on the need for strengthening the authority of the United Nations by giving their kind of reality to the principle of unanimity would lead easily to the argument that world peace and security could be accomplished only on a basis of universality, which they would contend was threatened by the Pact. The Delegation ought to be prepared for this eventuality and be ready to answer charges which set the Pact in opposition to the United Nations.

Ambassador Austin³ said that this question had been considered during the drafting of the United States speech to be delivered in the Plenary meeting. He had suggested taking the line that the repeated exercise of the veto was an obstacle to the orderly development of international cooperation and made it necessary to find other means under the Charter, such as the Atlantic Pact, to safeguard security. This was what he proposed to say, but he would very much like to have the Delegation's advice as to whether it was the proper approach.

Mr. Cohen⁴ said he for one would prefer that the Delegation take the initiative in explaining and justifying the Pact instead of waiting for the Soviets to denounce it. He thought the approach suggested by Ambassador Austin would help to interpret the Pact to the world and to make explicit the authorization for this kind of defensive arrangement which was implicit in the Charter. He thought it would be desirable, however, to go further and explain the Pact as an illustration of the way in which the United States met its obligations under the Charter rather than as a limitation of its obligations. Ambassador Austin said he was grateful for these suggestions and was, of course, always strongly influenced by Mr. Cohen's advice.

Mr. Dulles inquired whether the proposed reference to the Atlantic Pact reflected the Department's thinking. Mr. Ross⁵ reported that a telegram had been sent some weeks ago to the Department suggesting that the United States take the initiative, but the Department had thought that such action would be ill-advised at that time. Ambassador Austin also recalled the Department's unwillingness to take the initiative at that time, but said he believed that a new situation had

² John Foster Dulles, Member of the United States Delegation; an acknowledged Republican Party expert on foreign policy.

³ Warren R. Austin, United States Representative at the United Nations; Chairman of the United States Delegation.

⁴ Benjamin V. Cohen, Member of the United States Delegation; Counselor, Department of State, 1945-1947.

⁵ John C. Ross, Adviser, United States Delegation; Deputy to the United States Representative at the United Nations.

subsequently arisen. He was usually of the opinion that the best defense was a strong attack. He said he had heard indirectly through Cardinal Spellman ⁶ that President Truman thought it necessary to get out and do something in relation to the Pact. If it were felt that the reference to the Pact which he proposed to insert in the speech was not in accord with the Department's views, then the Department might be consulted by telephone.

Ambassador Jessup ⁷ said that he was not clear whether a definite policy decision had been taken to go on the offensive as regards the Atlantic Pact, or whether it was felt that the Delegation should wait until the Soviets had raised the matter. He wondered, however, whether it might not be better to try to keep the issue out of the General Assembly unless the Russians acted. Mr. Popper ⁸ said it was true that reference to the Pact had not been contemplated when the Department framed its position, but since the Soviets had already referred to it indirectly, it would probably be considered natural for the United States to make a passing reference to it also. He added that the text had been sent to Washington and it was now up to the Department to decide. Except for this brief allusion to the Pact, the text of the speech was based squarely on the Department's draft.⁹

Mr. Wainhouse ¹⁰ confirmed that the Department's recommendation was that the Delegation not take the initiative on the issue. He explained that the position paper on the Pact (US/A/1272)¹¹ was primarily designed to meet a situation which would arise if the Soviets requested that an Item on the Pact be added to the Agenda or raised the question in general debate.

Mr. McKeever ¹² said that in his opinion, since the Russians had already made several oblique criticisms of the Pact, complete silence on the part of the United States would be misunderstood by other Delegates. He believed that the proposed statement did not transgress any policy decisions. The only suggestion he had to make was that it might be well to review again the reference to the Security Council, which appeared, no doubt inadvertently, to belittle the Council.

⁶ Francis Cardinal Spellman, Roman Catholic Archbishop of New York.

⁷ Ambassador at Large Philip C. Jessup, Member of the United States Delegation.

⁸ David H. Popper, Adviser, United States Delegation; Assistant Chief, Division of United Nations Political Affairs, Department of State.

⁹ The draft texts are not printed.

¹⁰ David W. Wainhouse, Adviser, United States Delegation; Associate Chief, Division of United Nations Political Affairs, Department of State.

¹¹ *Ante*, p. 72.

¹² Porter McKeever, Information Officer, United States Delegation.

Mrs. Roosevelt ¹³ said she quite agreed that something ought to be said on the broader aspects of the question. Because of the political division of the world, the full strength of the United Nations could not be brought to bear in solving many important questions. The United Nations was especially handicapped in dealing with internal aggression of the kind that had taken place in Czechoslovakia. Because of abuses of the veto, the Western nations were obliged to fall back on the device of a regional pact. The Pact was carefully related to the United Nations Charter and the clear implication was that when the differences between East and West were settled, permitting the United Nations to function to full effect, the device would become unnecessary. She did not know whether this had been said, but thought it was a strong point which would help many people to understand the United States position.

Ambassador Austin explained that he had intended to refer to the Pact only in its bearing upon the discussion of the veto and not to make a full exposition of it unless forced to do so by the Soviets. Mrs. Roosevelt said that in her opinion the whole question would have to be met eventually and that if the Delegation were going to allude to the Pact, it should be ready to discuss it in its broader aspects. In reply to a question, Mr. James Hyde ¹⁴ said that in his opinion the proposed statement was consistent with the published utterances of the Department on the Pact's relationship to the questions under consideration.

Mr. Raynor ¹⁵ stated that the Department's recommendation not to take the initiative was based largely on the conviction of other partners in the Pact that it would be unwise to raise the question if it could be avoided. The Department felt that since this was a joint enterprise, no important action with respect to it should be taken except in cooperation with all the members. Mr. Raynor added that in conversations with representatives of Governments participating in the Atlantic Pact, he had found that all of them, with the exception of Canada, were opposed to taking the initiative and preferred to wait until the Soviets opened fire.

Ambassador Austin expressed his gratitude for the interest which the Delegation took in this question and for the valuable advice which

¹³ Mrs. Franklin D. Roosevelt, widow of the President; Member of the United States Delegation.

¹⁴ James N. Hyde, Adviser, United States Delegation; Adviser, United States Mission to the United Nations.

¹⁵ G. Hayden Raynor, Adviser, United States Delegation; Special Assistant to the Director of the Office of European Affairs, Department of State.

had been offered. He said he thought it was now up to him to appraise the situation when the time came to deliver the speech and to decide, in the light of developments, what course to take.¹⁶

[Here follows discussion of other subjects.]

¹⁶ During its 192nd to 195th Plenary Meetings, April 13-14, the General Assembly considered the question of voting in the Security Council. In this context, various representatives expressed, in detail, opinions regarding the North Atlantic Treaty and the nature of the East-West conflict. For the record of Ambassador Austin's address at the 195th Plenary Meeting, April 14, see United Nations, *Official Records of the General Assembly, Third Session, Second Part, Plenary Meetings*, p. 124. Hereafter cited as GA(III/2), *Plenary*. For full text, see Department of State *Bulletin*, May 1, 1949, p. 552.

501.BB/8-1249 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET

Moscow, August 12, 1949—6 p. m.

2019. In recent months Soviet "peace offensive" has been central theme almost all Soviet public utterances and activities in the international sphere. Soviet campaign for peace has manifested itself most graphically in a series of Soviet-inspired conferences that have taken place in New York, Paris and Prague, and similar conferences are scheduled for Mexico City and Moscow immediately prior GA.

No present indications that modifications this line GA likely (Depcirtel July 26 and circ Agams June 7 and July 14).¹ Speculation as to tactics in pursuance offensive, however, believed more complicated than heretofore, owing relative lack evidence tactical innovations Vyshinski² might introduce. Recent developments US disinflation process appear have prominent influence on Soviet thinking and further course of that process in intervening weeks might appreciably affect Soviet planning GA. Assuming Soviet reliance continuance recession US and aggravation Britain's crisis,³ possible Soviets may extend through GA tactics marking time which characterized

¹ The circular telegram of July 26, sent to 23 posts, read as follows:

"Dept assumes that a forthcoming session UNGA USSR will, as in past, introduce one major question which will be used as focal point Soviet propaganda strategy in GA. In 1946 this question was disarmament; in 1947 warmongering; and in 1948 prohibition of atomic weapon and one-third reduction of armaments and armed forces permanent members SC. Based on experience ur post, and gen evaluation internatl situation, Dept requests ur opinion re focal point Sov policy at GA this fall as well as subsidiary issues which Eastern bloc may propose or press." (501.BB/7-2649)

The circular airmgrams of June 7 and July 14 are not printed.

² Andrey Yanuaryevich Vyshinsky, Soviet Minister for Foreign Affairs; Chairman of the Soviet Delegation to the 4th Session of the General Assembly, September 20-December 10, 1949.

³ Documentation on United States relations with the United Kingdom, including material on the British financial situation, appears in volume iv.

Paris CFM.⁴ Based this reasoning, it could be expected new dramatic moves might be minimized and specific proposals limited.

On other hand, Soviets could determine desirable, as heretofore, introduce high sounding resolution designed focus peace offensive. Prediction nature such resolution manifestly increasingly difficult in circumstances but proposal withdrawal armed forces inside borders own country or further disarmament proposal would seem to us among best probabilities. This connection, suggest Department review Embtel 1706, August 21, 1948 re Soviet strategy 1948 GA.⁵ Believe predictions and comments therein still valid in large part.

In any event, Soviet delegation will, in all probability, continue vociferous adherence peace propaganda in discussions of agenda items along lines already developed. Thus, although Soviet delegation may not throw German and Japanese settlements⁶ into GA in any formal manner, it is evident from propaganda accompaniment and sequel Paris CFM that Soviets will endeavor bolster their case for leadership world peace movement by indications their readiness participate in early conclusion definitive peace settlements Germany and Japan. Gromyko⁷ proposals for settlement Greek strife⁸ will also be rehashed; possibly one of satellite delegations will take initiative here. Reports of atomic energy and disarmament commissions will be used by Soviets to repeat and amplify positions their representatives have taken in these commissions which will be described as demonstrating the strong Soviet desire for peace and disarmament (*Pravda* editorial Embtel 1950 August 5).⁹

Accompanying positive assertions with respect to the desire of the Soviet Government and "democratic peoples throughout the world" for peace, there will undoubtedly be a vicious Soviet onslaught on the Atlantic Pact which will likely be depicted as a decisive advance from "warmongering" to material implementation US plans for initiation third world war. It would not be entirely surprising if a Soviet resolution were presented in which the GA would be asked to express the opinion that the Atlantic Pact violates the spirit and letter of the UN Charter as well as existing treaties between the USSR and certain Western European members of the UN (not to mention the Italian

⁴ For documentation on the Paris conference of the Council of Foreign Ministers, May 23-June 20, see vol. III, p. 856 ff.

⁵ Telegram 1706 is included in documentation concerning United States national security policy, scheduled for publication in *Foreign Relations*, 1948, volume I.

⁶ For documentation on United States policy with respect to Germany, see vol. III, pp. 1 ff. Documentation on United States policy regarding Japan is scheduled for publication in volume VII.

⁷ Andrey Andreyevich Gromyko, Soviet Deputy Foreign Minister; Permanent Soviet Representative at the United Nations, 1946-1948.

⁸ Material on the Greek civil war is included in documentation on United States policy toward Greece, scheduled for publication in volume VI.

⁹ Not printed.

Peace Treaty). Though such resolution would face defeat, Soviets might feel that they could in obtaining support their satellites, get a few votes from Near Eastern, Asian and perhaps even Latin American govts disgruntled at exclusion from Pact or timid in their support Western policies. Furthermore, a defeat on such a resolution could be trumpeted as result of notorious United States "mechanical majority." Soviet delegation will hammer charge that Atlantic Pact and MAP ¹⁰ aimed at destruction USSR and will endeavor support assertions by reference recent European visit USJCS and by quotations from American press re US strategic plans. In discussion US military offensive, Soviets likely review work of current Geneva Conference on Protection of War Prisoners (Moscow airgram A-726, July 12 ¹¹) to show US determination use atomic and bacteriological instruments to achieve its nefarious ends and emphasizing moral aspects use such weapons. Attempt will be made to show that Marshall plan, Western Union, Atlantic Pact, MAP, etc. all represent US effort achieve world hegemony and to make Western Europe colonial appendage US as necessary prelude attack USSR.

ECOSOC report on UN point 4 Program for Economic Aid to Underdeveloped Countries ¹² will be attacked as US plan for enslaving non-European parts of world and as attempt US monopoly capitalism to escape consequences economic crisis US. This latter topic will be utilized by Soviets in all discussions economic questions and will also be interwoven in Soviet analysis of the propulsion of American imperialism to war along classic Marxist-Leninist lines. In discussions bearing on human rights (Bulgaria and Hungary, International Bill of Human Rights ¹³) Soviet delegation will unloose barrage aimed at recent actions of US Government and non-Communist governments Europe and Asia to restrict Communist activities. Restriction Communist activities will be twisted into suppression of democratic freedoms. In discussion this kind, Soviets will exploit to full Paul Robeson ¹⁴ visit Moscow and alleged disabilities American negroes.

Difficult predict exactly how Soviet delegation will utilize Chinese Communist victory ¹⁵ in its GA propaganda themes except in a general way to bolster assertions that peoples of world are now following

¹⁰ Documentation on United States military aid for Europe is contained in material concerning the North Atlantic Treaty in volume iv. Papers on general and worldwide aspects of the United States military assistance program are included in documentation on national security policy, scheduled for publication in volume i.

¹¹ Not printed.

¹² Included in documentation on United States policy regarding foreign economic assistance, scheduled for publication in volume i.

¹³ For documentation on United States efforts to achieve the implementation of the human rights provisions of the treaties of peace with Romania, Bulgaria, and Hungary, see volume v. For documentation on United Nations consideration of the question of human rights, see *Foreign Relations, 1948*, volume i.

¹⁴ American Negro singer.

¹⁵ For documentation on the situation in China, see volumes viii and ix.

Soviet leadership for peace and prosperity. No doubt discussions Korean and Indonesian questions.¹⁶ Soviet spokesmen will state that peoples of Asia are showing in China a resolution to cast off chains American and European imperialism.

We may anticipate that question East-West trade will be emphasized by Soviet delegation on every possible occasion, though perhaps Polish delegation will be detailed this particular chore.

Question Italian colonies¹⁷ emphasis presumably will be to confuse issues with tactical purpose of endeavoring spotlight West as imperialistically haggling over disposition spoils to detriment local populations. Expect Soviets to eye local reaction at expense effect in Italy.

While could reason Soviet acceptance US, UK and French March 20 proposal Trieste attractive in light Soviet campaign against Tito,¹⁸ etc., believe fact that action (1) would constitute direct about-face and (2) would be deemed by Soviets likely increase Tito's popular support Yugoslavs, probably controlling deterrents.

Sent Department 2019, repeated London 206, Paris 304, pouched Warsaw.

KIRK

¹⁶ For documentation on the Korean and Indonesian questions, see volume VII.

¹⁷ Documentation on this subject is presented in volume IV.

¹⁸ For documentation on the Trieste question, and on the dispute between the Soviet Union and Yugoslavia, see volume IV.

IO Files : US/A/1601

*Summary of Discussions on Agenda Items of the Fourth Regular Session of the General Assembly Between Members of the United States, British, and Canadian Governments, New York, August 30-31, 1949*¹

SECRET

[Here follow a list of persons present and an account of the discussion of various subjects on August 30.]

AUGUST 31, 1949, 10:00 A. M.

POSSIBLE SOVIET STRATEGY AND TACTICS IN GENERAL ASSEMBLY

Sir Terence Shone,² referring to the discussion of the previous day, during which several estimates had been hazarded regarding the pos-

¹ This summary was drafted by Thomas F. Power, Jr., Deputy Secretary-General of the United States Mission at the United Nations; the section dealing with regulation of armaments is included in volume I. Additional information on these tripartite discussions is provided in an editorial note on p. 244.

² Deputy to the Permanent United Kingdom Representative at the United Nations; Alternate Member of the United Kingdom Delegation to the 4th Session of the General Assembly.

sible Soviet strategy and tactics in the General Assembly, read to the group a semi-official letter, dated August 9, from the British Chancery at Moscow, regarding possible Russian action at the General Assembly.

The letter stated that there was no evidence that there was an important change in Soviet attitude toward the United Nations. They would continue to use it as a sounding board for their propaganda, and to oppose and hamper those UN bodies with which they disagreed. It noted that the Soviet press had talked of the increasing aggressiveness of the capitalistic countries in contrast to the search for peace by the Soviet States and the peoples of other States as opposed to their governments. It speculated that the sharpness of the attack on this point might well be intensified. The West might be accused of moving from war-mongering to a greater aggressiveness, as exemplified by the North Atlantic Pact, the Military Assistance Program and the recent visit of the U.S. Joint Chiefs to Europe.

The letter quoted from an August 5 article in *Trud*, which stated that the AEC and CCA had been sabotaged by the Anglo-American Bloc because the North Atlantic military bloc was engaged in an arms race which showed a growing aggressiveness from the war-mongering stage. Such a course was opposed by the masses, who desired peace. A great defense of peace was being carried on by the people.

The letter continued that the "Peace Rally" in Mexico might have been timed to coincide with the opening of the Fourth Assembly. It might well be a heavy attack on the imperialists for sabotaging the United Nations and attempting to dispense with it. The Soviet Union would allege it had to defend vigorously the integrity of the UN. The North Atlantic Pact would be called contrary to the Charter. The letter noted that a *Pravda* article in July had attacked Senator Vandenberg's³ description of the North Atlantic Pact as a regional agreement. It also attacked Secretary Bevin's⁴ statement that the Pact was collective self-defense. *Pravda* had said that this was obviously not true since the threat of aggression was non-existent. Therefore, the purpose of the Pact was the opposite of the Charter's purpose of preserving peace. The British Embassy speculated that, since *Pravda* was so vigorous in attacking the North Atlantic Pact, the Russians might submit a resolution to the effect that the Pact was contrary to the Charter.

The letter further referred to an article in *Pravda* of July 5, alleging that the imperialists were trying to pack the UN with additional

³ Arthur H. Vandenberg, United States Senator from Michigan; ranking Republican on the Senate Foreign Relations Committee.

⁴ Ernest Bevin, British Secretary of State for Foreign Affairs; Chairman of the United Kingdom Delegation to the 4th Session of the General Assembly.

members. It further alleged that the Italian Colonies had been divided in accordance with the strategic plans of the Anglo-American Bloc, which then sought to secure approval of an arrangement made outside the UN by the mechanical voting majority. The CCA's plan was described as an effort to enable the American Intelligence Service to collect data on the Soviet Union. With respect to the Pacific Trust Territories, it was alleged that the United States wished to use these islands for bases, and had not fulfilled its Charter responsibilities toward the dependent populations.

The British Chancery speculated that all of these points might be raised by the Soviets. They thought that, on the whole, the Soviet line would be an intensified attack, stepping up from war-mongering to allegations of sabotaging the UN. Soviet speeches in the General Assembly might be backed by well-organized peace rallies.

Mr. Hickerson⁵ read excerpts from a memorandum prepared by the Department in large part on the basis of comments from the American Embassy in Moscow.⁶ It suggested that the American business recession might enter heavily into Soviet thinking regarding UN tactics. The brick-bats recently exchanged between the US and UK press would add further to this tendency. If the Soviets believed that economic conditions were worsening, they might mark time at the General Assembly and not do anything drastic because of a feeling that matters were going their way. Thus they might pull their punches in the propaganda field. Mr. Hickerson remarked that he personally thought it possible the Soviets might take quite an opposite line on the same reasoning, and be more aggressive. He observed that it was very hard to predict what the Soviet line would be. It was all a matter of guess work. However, it appeared very probable that the Soviet line would be to continue the "peace offensive" with the allegations that the Soviets were supporting the interests of the common man and the U.S. and U.K. were against him. Certainly the North Atlantic Pact would be attacked, although it was doubted that it would be an agenda item. Sir Terence said that he shared this doubt. The Military Assistance Program would be cited as a further evidence of the aggressive intentions of the U.S., and the Point 4 Technical Assistance Program would be attacked as evidence of U.S. imperialism.

Mr. Hickerson observed that there was little point in trying to predict accurately the Soviet line on General Assembly items, since the Soviets could reverse their field whenever it suited their purpose.

⁵ John D. Hickerson, Assistant Secretary of State for International Organization Affairs; Alternate Member of the United States Delegation to the 4th Session of the General Assembly.

⁶ The memorandum has not been identified; for comments from the United States Embassy in the Soviet Union, see telegram 2019, August 12, p. 80.

Mr. Mayrand⁷ observed that the foregoing analysis seemed likely; although the Soviet goal never changed, the line was adapted to the particular needs of the moment. He thought that the North Atlantic Pact and Recession themes were the most likely to be followed up. Mr. Smith⁸ observed that the Soviets had never followed the let-well-enough-alone line and that they would have been much more dangerous if they had done so.

Mr. Hickerson, speaking personally, said that we were very fortunate the Politburo did not have a hard-headed non-Communist adviser on tactics vis-à-vis the West. If they had, we all could have been ruined very easily. However, the Soviets have played all their cards the wrong way. If they had wished to pursue their goal, which we assume was the domination of the world, they should have let us destroy our military power as we were rapidly doing. It was only the Soviet activity which stopped us. Had they lulled us into a sense of false security for a few years, they could easily have ruined us.

Mr. Smith observed that it was now late for the Soviets to adopt the soft policy, and therefore there was not so great a danger. However, the possibility of it should not be ignored.

Mr. Ross inquired whether there might possibly be a Soviet shift to an economic approach, with a peace-through-trade argument. He thought that, if the Soviets were really smart, they would exploit such an argument. They could refer to the UK-U.S.-Canadian financial talks in Washington as another attempt to by-pass the UN, and suggest that a world economic conference be held to handle these matters. They could put emphasis on the economic difficulties of the rest of the world. Mr. Hickerson observed that, if the Soviets had any sense, they would accept the majority plan of the AEC. This would frighten us terribly, for no one could assume that they would carry it out in good faith. He observed that we would have more trouble with our Senate if the Soviets accepted the majority plan, for it would be assumed that there would be a joker in it that only the Russians saw, or that the Russians would not carry it out. If Mr. Tsarapkin,⁹ in the current AEC discussions, would suddenly announce that he accepted the majority plan, Mr. Hickerson said he would be most alarmed. General McNaughton¹⁰ concurred. He observed that the majority

⁷ Leon Mayrand, Canadian Assistant Under Secretary of State for External Affairs; Alternate Member of the Canadian Delegation to the 4th Session of the General Assembly.

⁸ Arnold C. Smith, Principal Adviser, Permanent Canadian Delegation to the United Nations.

⁹ Semyon K. Tsarapkin, Alternate Soviet Representative to the Security Council and Atomic Energy Commission; Member of the Soviet Delegation to the 4th Session of the General Assembly.

¹⁰ General A. G. L. McNaughton, Permanent Canadian Representative at the United Nations; Member of the Canadian Delegation to the 4th Session of the General Assembly.

plan was the one that would have to be adopted some day, but he was concerned how it could be adopted with an assurance that it would be carried out in good faith by the Soviets.

Mr. Smith observed that the deduction from Mr. Hickerson's statement was that the Soviets should not be pressed to come into the Specialized Agencies and otherwise cooperate with the rest of the world. He asked whether Western opinion had yet come to the conclusion that two worlds were better than one; to accept that and try to disintegrate the Soviet world by peaceful means. He doubted that this view had been accepted although it was his personal view. Mr. Hickerson said that he personally agreed with Mr. Smith, but he also doubted that the idea was yet accepted by public opinion.

General McNaughton said that he thought public opinion would eventually come to the conclusion that we should take the offensive and make it difficult for the Soviets to have their say in the Specialized Agencies and elsewhere. He said people are still trying to draw the Soviets into the family and persuade them, by argument and example, to conform to the West. He thought the West had exposed itself so many times and given the Soviets so many opportunities to lull it to sleep—all of which opportunities the Soviets had missed—that it was unlikely that they were going to change now. Moreover, he thought it would be impossible for them to make a switch without giving some advance warning, which no one had discovered to date. They simply could not hide their intentions so completely that we would have no wind of them. He commented that the Russians in the current Six Power AEC talks were only engaging in parliamentary maneuvers and reoutlining their previous arguments. He observed that they were being encouraged by people like Blackett,¹¹ who had written up their arguments better than they. He characterized Mr. Blackett as a very useful person because he encouraged the Soviets in a policy that would never get them anywhere.

Mr. Ross suggested that the Delegations present should coordinate a counter-attack in preparing the initial speeches in the Assembly, so that the respective chief delegates would not need to cover all the same points. Thus they could hit harder than with a shotgun approach. Sir Terence agreed that this was a very good suggestion, but doubted whether it was feasible at this late date before the Fourth Assembly. Mr. Hickerson suggested that, during the Assembly, if such coordination could be undertaken, it would be quite useful. Sir Terence also observed that opening speeches were often designed for home con-

¹¹ Professor P. M. S. Blackett, British author of *Military and Political Consequences of Atomic Energy* (London: Turnstile Press, 1948) and *Fear, War, and the Bomb* (New York: Whittlesey House, McGraw-Hill Book Co., 1949).

sumption, so that there might be difficulty in arranging a division of labor. However, he said he was only thinking aloud.

Mr. Smith suggested that, in coordinating the attack, thought be given to the goal to be sought one or two years ahead.

[Here follows discussion of other subjects.]

501.BB/9-2349 : Telegram

*The Secretary of State in New York*¹ to the Acting Secretary of State

PRIORITY

NEW YORK, September 23, 1949—7:31 p. m.

Delga 16. Following is unofficial text Soviet resolution introduced GA plenary today:²

"1. The GA condemns the preparations of a new war which are being conducted in a number of countries, particularly in the USA and UK, and which find expression in government encouraged war propaganda, in the armaments race and in inflated war budgets which fall as a heavy burden on the population, in the establishment of numerous military, naval and air bases on the territories of other countries. In the formation of military blocs of states pursuing aggressive aims, in regard to the peace-loving democratic countries, and in the execution of other measures aimed at aggression.

"2. Just as civilized nations had long ago condemned the use for military purposes of poison gas and of bacteriological weapons as being a heaviest crime against mankind, so the GA recognizes that the use of atomic weapons and other means of mass destruction of human beings is incompatible with the conscience and honor of nations and with membership in the UN, and considers any further delays in the adoption by the UN of practical measures for the unconditional prohibition of atomic weapons and for the establishment of an adequate and rigid international control to be inadmissible.

"3. The GA calls upon all nations to settle their disputes and differences peacefully without resorting to the use of force or to threats of force. The GA taking note, at the same time, of the unbinding will and determination of peoples to ward off the threat of a new war and to secure the maintenance of peace, as expressed in all countries in the mighty popular movement for peace and against warmongers, and bearing in mind that the five powers, permanent members of the SC, bear primary responsibility for the maintenance of international peace and security, unanimously expresses the wish that the US, UK, China,

¹ Secretary Acheson, Chairman of the United States Delegation when present, addressed the 222nd Plenary Session of the General Assembly during the general debate phase of proceedings; for the summary record of this address, see United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, pp. 5-8. (Hereafter cited as GA(IV), *Plenary*.) For full text, see Department of State *Bulletin*, October 3, 1949, p. 489.

² For the summary record of Vyshinsky's address at the 226th Plenary Meeting, September 23, during the general debate phase of proceedings, including the official text of the Soviet draft resolution (A/996), see GA(IV), *Plenary*, pp. 36-39.

France and the USSR join their efforts for this purpose and conclude between themselves a pact for the strengthening of peace.”

ACHESON

501.BB/9-2349 : Telegram

The Secretary of State in New York to the Acting Secretary of State

PRIORITY

NEW YORK, September 23, 1949—11:39 p. m.

CONFIDENTIAL

Delga 19. For [From] Hickerson. Following preliminary views on possible alternative courses of action for handling new Soviet resolution (Delga 16¹), which were developed in meeting of members of GADel staff tonight, may be of interest to Department.

First possibility would be to have GC recommend separate reference for each paragraph of Soviet draft resolution. First paragraph would be referred directly to plenary, where it would be voted down. Second paragraph would go to *Ad Hoc* Political Committee for consideration in conjunction with atomic energy item. Third paragraph would go to Committee 1, under new title such as “adoption of additional measures to strengthen the peace,” so as not to perpetuate title of Soviet draft resolution. In first committee this paragraph would be amended so as to recommend measures to strengthen peace such as application of last year’s GA veto resolution and a recommendation along lines of suggestion in Secretary’s GA speech that members agree to accept GA recommendations as binding in certain cases.

Advantage of this method of procedure would be that it would fragmentize Soviet resolution and prevent any possibility of Soviets claiming credit for single resolution embodying generalities on subject of peace which Soviets could claim as their own, as in case of 1947 war-mongering resolution.

Second possible course of action would be to have general committee recommend reference of Soviet resolution to Committee, with an understanding or recommendation if necessary that paragraph 2 be discussed in connection with atomic energy in *Ad Hoc* Political Committee. In first committee we would substitute an acceptable resolution for paragraphs 1 and 3 of Soviet draft which might include material similar to 1948 GA Mexican resolution (190(III))² and matter covered in suggested amendment to paragraph 3 of Soviet resolution in preceding paragraph. This would be done by amendment which would be voted upon before Soviet text. Advantage of this course would be that

¹ *Supra.*

² For text, see United Nations, *Official Records of the General Assembly, Third Session, Part I, Resolutions*, p. 15 (Hereafter cited as GA (III/1), *Resolutions*.)

it would avoid giving Soviets opportunity for propaganda effort in several different GA forums.

ACHESON

501.BB/9-2449: Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL PRIORITY WASHINGTON, September 24, 1949—6 p. m.
 NIACT

Gadel 11. Reference Delga 16¹ and 19.²

1. Dept. prefers to give Delegation discretion to work out in N.Y. tactics for handling Soviet Resolution in GC.

2. Urgent exchange of views as to tactics in GC should be undertaken with British and French and other Delegations as Del thinks desirable.

3. Preliminary thinking in Dept. is that reference of resolution as a whole to Committee 1 might be preferable. This would make possible effort to kill resolution in a single debate if this should later be decided desirable on tactics and substance. If it were decided preferable to treat the parts of the resolution separately paragraph on Atomic Energy could be referred to *Ad Hoc* Committee for disposition or recommendation.

4. Dept. queries wisdom of referring Par 1 to Plenary and Par 3 to Committee 1 as this could be interpreted as implicit recognition that Par 3, as well as Par 2, have merit.

5. All of foregoing is on the assumption it is neither feasible or desirable to stop resolution in GC.

WEBB

¹ September 23, p. 88.

² *Supra*.

IO Files: US/A/C.1/1196

Memorandum by Mr. Philip C. Jessup, Member of the United States Delegation, to Ambassador Austin

SECRET

[NEW YORK,] September 30, 1949.

Subject: Soviet Resolution in Committee I

Although I have not had an opportunity to formulate my thoughts in any detail, I do feel strongly that we must give most careful consideration to our tactics in handling the Soviet Resolution in the First Committee.

I agree entirely with the view which was expressed in the Delegation Meeting¹ and also in the document US/A/C.1/1182² that the Soviets have designed the three paragraphs to constitute one single trap. At the same time, the three paragraphs considered separately are very different in their substance and nature. A speech like that of the Icelandic Delegate in the First Committee today I think represents a rather general point of view which will become evident; namely, that a step for a peace pact among the Big Five would be an ample supplement to the Mexican Resolution of Paris. I believe that we would find ourselves in a very bad situation in terms of UN opinion and in terms of our own public opinion if we relied wholly on the inherently sound argument that this whole Soviet Resolution is a hypocritical maneuver.

It is true that what we really need is not more agreements signed by the Soviet [Union] but more performance of agreements already concluded. Nevertheless, we are parties to other treaties with various states providing for pacific settlement, etc. We have participated in the Interim Committee in attempts to improve procedures for pacific settlement of disputes. The Soviet [Union] has consistently refused to cooperate in these efforts. Our record is good; their record is bad.

I suggest that careful consideration should be given to the desirability of drafting and distributing at a very early date a resolution which would contain the text of a treaty which could be recommended to the Big Five for signature. An alternate procedure would be for us to distribute in some other way an American proposal for a treaty of pacific settlement to which the other four permanent members of the Security Council would be parties. In either case, the treaty should contain the obligation to utilize those means of pacific settlement which have long commended themselves to most states except the Soviet Union. There should be a provision regarding the submission of legal questions to the International Court of Justice; another provision regarding conciliation procedure with provision for the appointment of a neutral member by some outside authority in case of disagreement among the parties; there might well be reference to the acceptance

¹ Reference is to the 7th Meeting of the Delegation, September 26. In Delga 29, September 26, the Secretary of State reported to the Department that the Delegation had taken the following decisions regarding the Soviet resolution:

"Delegation agreed that US representative on general committee should vote for inclusion of Soviet proposals on agenda, making clear, however, US regarded them as propaganda. US representative further authorized to support reference paragraphs 1 and 3 to Committee 1 (latter paragraph either in present form or simply in form of a general title), and paragraph 2 to *Ad Hoc* Political Committee. At same time US representative given general discretion to depart from preferred position as circumstances might require. Delegation also agreed US should oppose adoption of the Soviet proposals and should not seek to amend them." (501.BB/9-2649)

² Document US/A/C.1/1182, September 28, a draft United States Delegation position paper on the question of the Soviet resolution, is not printed.

of recommendations of the Assembly regarding the use of the veto in the Security Council. I do not attempt to suggest the entire content, but I would pick up a large number of the procedures for pacific settlement which we are ready to accept or have accepted and which the Soviets have steadily declined to accept. It seems to me that an affirmative approach of this kind would be tactically advantageous in the Assembly and sound from our over-all point of view. The presentation of such a proposal would not preclude our pointing out the actual nature of the Soviet Resolution and our conviction that what we need is Soviet performance of the obligations of the Charter. We would be on much stronger ground, however, if we go beyond that and say of course we are ready to sign supplemental treaties for pacific settlement and then go ahead to suggest the kind of agreement we have in mind.

PHILIP C. JESSUP
Ambassador at Large

Editorial Note

At its 229th Plenary Meeting, September 29, 3 p. m., the General Assembly adopted the recommendation contained in a report by the General Committee (A/998) which read as follows:

"The General Committee, at its 66th meeting, held on 26 September 1949; considered the request of the delegation of the Union of Soviet Socialist Republics for the inclusion in the agenda of the item:

'Condemnation of the preparations for a new war and conclusion of a five-power pact for the strengthening of peace.'

The General Committee recommends that this item be included in the agenda and that it be allocated to the First Committee." (GA(IV), *Plenary*, page 95)

501.BB/10-149 : Telegram

*The Acting Secretary of State to the United States Representative at
the United Nations (Austin)*

SECRET

WASHINGTON, October 1, 1949—4 p. m.

Gadel 25. Draft resolution referred to Gadel 24¹ is set forth below. Department will appreciate your comments.

¹ In Gadel 24, October 1 (not printed), the Department indicated that it was giving consideration to the possibility of offering a substitute for the Soviet peace resolution which could obtain an overwhelming vote in the General Assembly (501.BB/10-149).

"Recalling that by resolution adopted at its Third Session the General Assembly appealed to the Great Powers to renew their efforts to compose their differences and cooperate in the establishment of a lasting peace,

Deeply aware of the continued determination of the peoples of the UN as expressed in the Charter to save succeeding generations from the scourge of war, to assure the maintenance of fundamental human rights, and to practice tolerance and live together in peace with one another as good neighbors,

Convinced that these ends can be achieved if the members of the United Nations will carry out the obligations which they undertook to fulfill in good faith by their adherence to the Charter, and, in conformity with these and other treaty obligations, will settle their controversies peacefully, and will refrain from acts directly or indirectly aimed at impairing or destroying the freedom and independence of other States;

The General Assembly

(1) Calls upon the Great Powers to cooperate with one another and with other nations in the forums which exist for the purpose in further efforts toward the settlement of outstanding problems, and in particular in furtherance of UN action:

(a) to establish an effective, enforceable system of international control of atomic energy, on the basis of the plan approved by the General Assembly;

(b) to develop an effective international system for the regulation and reduction, under adequate safeguards, of conventional armaments and armed forces pursuant to Articles 11 and 26 of the Charter;

(c) to eliminate the threats to the political independence and territorial integrity of Greece because of outside assistance to the guerrillas;

(d) to bring about an independent and unified Korea with a government freely elected by its people;

(e) to exercise their special voting privilege in the Security Council in a manner which will enable the Council effectively to carry out its primary responsibility for the maintenance of international peace and security."

WEBB

IO Files: US/A/C.1/1213

Memorandum of Conversation, by Mr. John C. Ross, Adviser, United States Delegation to the General Assembly

SECRET

[NEW YORK,] October 3, 1949.

RUSSIAN RESOLUTION

On the basis of telephoned instructions from Mr. Sandifer,¹ I took

¹ Durward V. Sandifer, Deputy Assistant Secretary of State for United Nations Affairs.

advantage of seeing General Romulo² at lunch today to ask his views on the Russian Resolution. I said that in view of the fact that the United States was one of the parties attacked in this resolution, we perhaps did not have the perspective that would help us to a valid judgment. The State Department had accordingly requested us to seek the views of a very few top Delegates, including, in particular, Romulo.

The General said he was glad I raised this question because he had discussed the matter with Padilla Nervo³ yesterday. He had asked Padilla Nervo to take the Russian Resolution and redraft it in a way that would be "helpful to the Americans". He had asked Padilla Nervo to bring back a redraft in a couple of days. The two of them would go over this redraft and then consult us.

The General said he had asked Padilla Nervo to do this for three reasons: first, "we could count on him"; second, he was the author of the Mexican Resolution last Fall; third, the General considered that it was important to have a Latin American rather than a European (or an Asiatic) to introduce the kind of resolution that would be helpful to us.

I asked Romulo if his action indicated that he had reached the conclusion that it would be better to amend or offer a substitute for the Russian Resolution rather than to kill it outright in its present form. The General replied quite definitely in the affirmative.

Romulo said he would let us know as soon as he got something back from Padilla Nervo.

[Here follows discussion of another subject.]

² Brig. Gen. Carlos P. Romulo, President of the General Assembly; Chairman of the Philippine Delegation; Permanent Philippine Representative at the United Nations.

³ Dr. Luis Padilla Nervo, Chairman of the Mexican Delegation; Permanent Mexican Representative at the United Nations.

501.BB/10-449: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET PRIORITY

NEW YORK, October 4, 1949—4:23 p. m.

Delga 54. I have received following views from delegation staff re your Gadel 24 and 25 of October 1 dealing with Soviet resolution.

1. Staff is inclined in the light of the present tactical situation to agree that our objective should be to defeat the Soviet resolution and to prevent its amendment by presenting, or having presented to the Assembly, a substitute resolution which could be adopted by an over-

whelming vote but which would contain statements or principles so directly opposed to Soviet methods that Russians could not exploit it and presumably would have to vote against it.

2. As staff analyzes situation in Assembly, we will be confronted with group of members desirous of passing vague, high-sounding resolution which can be accepted unanimously as in case of Mexican resolution last year. In this atmosphere Vyshinsky might be expected to put forward superficially attractive idea of mutual nonaggression pact among Big 5 powers foreshadowed by *Daily Worker* articles. He might propose that such a pact include a series of simple points such as: agreement not to join alliance directed against other signatories; agreement not to interfere with sovereignty of other powers through use of bases, troops on foreign soil, etc.; agreement not to use atomic bomb against other signatories; agreement to foster trade among signatories.

3. Should such a proposal be presented, it seems doubtful that resolution suggested by Department Gadel 25 will be sufficiently broadly-based or striking to serve as an adequate substitute. Staff would suggest that substitute resolution might appropriately stress steps directly related to attainment of peaceful relations among nations, and not be limited to reformulation of positions we have pushed through GA on a series of individual problems.

4. Proposed staff resolution which is now being drafted, will probably include reference to need for observance of charter principles, proposals of the type mentioned in Ambassador Jessup's memo to Ambassador Austin on procedures for the maintenance of peace,¹ and generalized standards of conduct which could be worked out so as to reflect by inference on Soviet conduct in various areas such as Yugoslavia. One of the points to be included might be a suggestion that peace can best be achieved if all powers will carry out GA recommendations such as those mentioned in Gadel 25.

5. Reaction to first consultations undertaken pursuant to Gadel 24 indicated that most delegations have not yet given serious thought to this question. However, Romulo and a few others appear to be leaning in direction of a resolution which could be passed unanimously, rather than along lines objective set forth in paragraph 1 above. Speeches on debate re position of Chinese item on Committee 1 agenda indicated some small delegations also leaning in that direction. Therefore, if objective listed in paragraph 1 is to be sought, staff believes it essential it be brought most promptly to attention broad group of delegates. If this is not done, there is danger of repetition 1947 war-mongering situation.

¹ The reference is presumably to Jessup's memorandum of September 30, p. 90.

6. My personal preference is that we should inform other delegations that our main objective is that the Assembly should denounce the fraud of the Soviet proposal and defeat it without amendment and, if possible without substitute. The staff is inclined to feel that it is probably not feasible under present circumstances to persuade the Assembly to follow this course. In order to move ahead with the consultations which we all agree must be undertaken immediately, would you agree to my talking privately to Romulo, Padilla Nervo and McNeil,² exploring the prospects along these lines. If these talks confirm the opinion of the staff, we would then proceed immediately with broader consultations along the line of paragraph 1.

AUSTIN

² Hector McNeil, Member of the British Delegation; British Minister of State.

501.BB/10-449: Telegram

*The Acting Secretary of State to the United States Representative
at the United Nations (Austin)*

SECRET

WASHINGTON, October 4, 1949—7 p. m.

Gadel 29. Dept has considered urtel, Oct 4,¹ and believes that there is little fundamental difference between approach taken by UN [USUN] staff and Dept's own point of view.

As we see it our principal objectives in connection with Soviet resolution may be summarized as follows:

1. To prevent and minimize any propaganda advantage to Soviet Union which might be derived from permitting ourselves to be maneuvered into a position on permanent record of rejecting a resolution containing clauses favoring peaceful settlement, etc.

2. To use the occasion to place clearly before world opinion a realistic picture of conditions of peace as opposed to the illusory nature of Soviet proposal.

3. To join issue with Soviet in order to show the essential falsity and fraud of their position vis-à-vis their own action and adherence to Charter principles.

4. To avoid dissipating capital of good will which we have with other GADels by putting them in position of opposing a resolution containing even illusory hope for peace.

Dept believes that these objectives can be met by the aggregate of a substitute resolution to be adopted by Assembly along lines of Gadel 25² and urtel of Oct 4 and our statements before GA.

In view of foregoing Dept believes it desirable to undertake immediately consultation with states mentioned in para 6 urtel and states

¹ Delga 54, *supra*.

² October 1, p. 92.

mentioned in para 1 Gadel 24,³ indicating objectives stated above and that these objectives can best be achieved by a substitute resolution. USRep shld indicate further that USDel is presently at work on such a substitute resolution and would be interested in any ideas which these delegations may have.

WEBB

³ See footnote 1, p. 92.

501.BB/10-649 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET PRIORITY

NEW YORK, October 6, 1949—10:27 a. m.

Delga 62. Following draft prepared by USDel staff for possible use as substitute for Soviet peace pact resolution :

"The GA

Convinced that peace depends upon deeds rather than words and requires fulfillment in good faith of treaty obligations;

Declares that the charter of the UN, the most solemn pact of peace in history, contains the principles necessary for the maintenance of an enduring peace;

Calls upon all nations to refrain from the threat or use of force against any nation contrary to the charter;

Calls upon all nations to refrain in accordance with the charter from any acts of indirect aggression aimed at impairing the freedom, independence or integrity of any state;

Calls upon all nations to carry out in good faith their international agreements and to refrain from their arbitrary denunciation or repudiation;

Calls upon all nations to cooperate in supporting UN efforts to settle outstanding problems;

Calls upon all members to participate fully in the work of the UN and its specialized agencies, and upon all nations to afford full co-operation and free access to all UN bodies in the performance of their assigned tasks;

Calls upon the five permanent members of the SC by the exercise of restraint in the use of the veto and through other cooperative efforts to make the SC a more effective instrument for maintaining peace;

Calls upon all nations to remove the barriers which deny to peoples the free exchange of information essential to international understanding and peace."

Staff plans to telegraph text of draft speech to Department later today.

AUSTIN

501.BB/10-649 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, October 6, 1949—5 p. m.

Gadel 33. Dept approves draft resolution contained urtel Oct 6¹ as basis for consultations with other Dels with exception of para relating to repudiation of treaties which Dept proposes be deleted. Dept desires that resolution have as broad and representative sponsorship as possible so that it can be adopted by overwhelming vote.

WEBB

¹ Delga 62, *supra*.

501.BB/10-649 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

PRIORITY

NEW YORK, October 6, 1949—6:59 p. m.

Delga 67. I talked with Romulo, Padilla Nervo and McNeil today in that order, re Soviet "peace pact" resolution, leaving with each of them a list of the points included in the draft resolution contained in Delga 62.¹

I told Romulo that I felt personally that the Soviet maneuver should be denounced as a fraud and completely expunged, but that I was aware of the necessity of the GA doing something on the subject of peace which would be of a constructive character and hold the standard high. I stressed that this could not be done if we should merely amend the Soviet resolution under its existing title. Romulo agreed that it was important to handle the resolution in such a way that no basis would exist for the Soviet Union to claim that their resolution had been adopted by the GA. He felt that a separate resolution under a different title should be offered as a substitute. He agreed that it was really the US which was the target of the Soviet's resolution and assured me of his loyalty to the US and his desire to protect and promote its policies for peace. Romulo and I agreed to have a further conversation after he has talked again with Padilla Nervo and after I have had further instructions.

Padilla Nervo stated that he had talked only with Romulo on this subject, on the latter's initiative, and that Romulo had asked him if

¹ October 6, p. 97.

he did not believe that the strength of the GA would be united under a resolution introduced by Padilla Nervo as a further step in the movement undertaken by Nervo at the last assembly session. He said that one of the merits of this course would be to divert the action of the GA from a bitter fight over the terms of a resolution which could be criticized as a charge against the US and UK and as an action in approval of the Soviet Union. Padilla Nervo indicated that if the US should approve of his presenting a resolution, he would be glad to do so; but that he would like to have us feel free to take any other course which we felt to be necessary or wise. I told Padilla Nervo that I would ascertain my government's position and inform him. He will make no arrangements with Romulo without first consulting us in regard to both the substance of the resolution and the procedure for its introduction.

McNeil noted that our exchange of views was undertaken without any commitments and on a purely personal basis. He was extremely doubtful that either Padilla Nervo or Romulo, if left to initiate a substitute resolution, would make it sufficiently strong to meet the requirements of the situation. He thought the "peace assembly" idea of Romulo, and the original Mexican proposal of Padilla Nervo, were not adequate to destroy the effect of "condemnation of preparations for a new war and conclusion of a five power pact for the strengthening of peace." He said that if that is to be defeated by flank attack, the substitute resolution would have to be a better and stronger one in order to attract the necessary votes, and that paragraph 3 of the Soviet proposition would collect many votes if it were amended slightly. McNeil expressed approval of the points included in our draft and thought that a resolution should include them and perhaps others. He did not like the phrase "indirect aggression" but stated that "infiltration" and "civil war" were substitutes for "indirect aggression" which might overcome his objections.

As regards the initiative, McNeil's first impression is that we who are under attack should take the initiative and not leave it to others. I called attention to the idea expressed by Nervo that the members of the assembly other than the Big Five had a stake which justified their intervention and that we might encounter this expressed in more than one way: that, therefore, it is important for us to move with full understanding among all of us. McNeil agreed and said that he would talk this matter over with his delegation and his government and see me again soon.

AUSTIN

501.BB/10-849 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

NEW YORK, October 8, 1949—3:25 p. m.

Delga 71. Draft resolution tentatively agreed with UKDel this morning is contained in next following telegram (Delga 72).¹

UKDel held view resolution needed to be substantially strengthened and proposed that we should include paragraphs condemning Soviet bloc. The substance of these paragraphs has been included in draft resolution. We agreed it was perfectly clear that if we desired to strengthen resolution to this extent it must be introduced by UK and USDels and not by Padilla Nervo. Cadogan² preferred this course. I have been increasingly conscious of the risks involved in allowing matter of such importance to US to be handled by another delegate and in particular a delegate whose sympathies would most certainly lie in the direction of a majority resolution to which all members could subscribe. In view of these factors, Cadogan and I agreed to recommend to our governments that we should ourselves jointly introduce a resolution along the general lines of that in Delga 72.

Question arose whether French should sponsor with us. Chauvel³ thought this unwise, pointing out he had no government at the moment; that French sponsorship would raise problem of the position of China and that the Soviet resolution was pointed most directly at US-UK.

Chauvel made certain suggestions which have been incorporated into the preamble of present resolution. He said he could support US very strongly in debate and vote for this resolution without instructions if his suggestions were incorporated. He indicated his belief that under circumstances wisest course is for US-UK to introduce resolution along present lines.

In the light of these facts, I recommend that we make decision that US-UK will introduce their own substitute resolution at early stage in Committee 1 consideration along lines contained in Delga 72. If this agreed, I propose to inform Padilla Nervo to this effect and seek his support.

AUSTIN

¹ *Infra.*

² Sir Alexander Cadogan, Member of the British Delegation; Permanent British Representative at the United Nations.

³ Jean Chauvel, Member of the French Delegation; Permanent French Representative at the United Nations.

501.BB/10-849: Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

PRIORITY

NEW YORK, October 8, 1949—3:30 p. m.

Delga 72. Following is draft resolution tentatively agreed with
UKDel:

The General Assembly,

Considering that statements of intention should be translated not
only into words but into deeds;

Recalls that the Charter of the United Nations, the most solemn
pact concluded up to the present to secure the maintenance of peace
and international security, is founded on the principle of the rights
of nations and their sovereign equality and on respect for human
rights and fundamental freedoms;

Recalls that members of the United Nations have undertaken by
the terms of the Charter to refrain in their international relations
from the threat or use of force against the territorial integrity or
political independence of any state, or in any other manner incon-
sistent with the purposes of the UN;

Condemns the frequent and persistent refusal by a small minority
of the members of the UN to accommodate themselves to the views
of the majority and to cooperate or to participate fully in the work
of the organization, and their actions both inside and outside the
organization which have compromised the success of its work and

Condemns in particular the refusal of these states or some of them
to accept the proposals for the control of atomic energy already ap-
proved as the necessary basis by the GA in its resolution No. 191 of
the 4th November 1948;¹ their refusal to cooperate in evolving a plan
for the exchange of information on effective and conventional arma-
ments as prescribed by the GA in its resolution No. 192 of the 19th
November 1948;² their refusal to participate in many of the special-
ized agencies of the UN; their refusal to support commissions and
bodies set up by the UN for the settlement of disputes and the improve-
ment of international cooperation, and their actions in fomenting dis-
cord in many parts of the world, including Germany, the Balkans,
the Middle East and the Far East which have contributed to the
present world-wide sense of insecurity.

Calls upon all nations

¹ For text, see *Foreign Relations*, 1948, vol. I, p. 495.

² *Ibid.*, p. 503.

To refrain from the threat or use of force against any nation contrary to the Charter;

To refrain from any acts, direct or indirect aimed at impairing the freedom, independence or integrity of any state or from fomenting civil strife or war in any state.

To carry out in good faith their international agreements;

To cooperate in supporting UN efforts to settle outstanding problems, and in particular, the control of atomic energy and the regulation of conventional armaments;

To participate fully in the work of the UN and its specialized agencies, and to afford to all UN bodies full cooperation and free access in the performance of their assigned tasks;

To be guided in their actions by the universal declaration of human rights approved by the GA on December 10, 1948,³ and to remove the barriers which deny to peoples the free exchange of information essential to international understanding and peace;

Calls upon the five permanent members of the SC by the exercise of restraint in the use of the veto and through other cooperative efforts to make the SC a more effective instrument for maintaining peace.

AUSTIN

³ For text, see GA(III/1), *Resolutions*, p. 71. Documentation on the human rights question at the Third Regular Session of the General Assembly is contained in *Foreign Relations*, 1948, volume I.

501.BB/10-849 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET PRIORITY
NIACT

WASHINGTON, October 8, 1949—8 p. m.

Gadel 40. 1. Dept has given most careful consideration to revised draft Res. submitted in Delga 72¹ and to the reasons given in Delga 71² for the changes and additions.

2. We feel that it is undesirable and unwise to add paragraphs 4 and 5 for the following reasons:

a. This strong condemnation of the Soviet Union is not in keeping with the purpose and context of the resolution as previously recommended by the Delegation and approved by the Dept.

b. The tone and temper of these provisions is contrary to the general tone set for the US in the GA by the Secretary in his opening statement. We should not be led into different tactics by the mere fact of

¹ *Supra*.

² October 8, p. 100.

the Sov. Del. having come forward with a Res condemning the US and the UK.

c. There is a strong feeling in the Dept that we might not be able to obtain a large majority for a Res. containing these provisions. It would be a matter of most serious consequence to us to launch such a Res. and to fail to obtain a large majority for it or to have such a maneuver result in a successful effort to compromise by amending the Soviet resolution. We cannot afford to risk a large number of abstentions on this resolution.

d. These provisions would turn this question into a conflict between the US and UK on the one hand and the Russians on the other. We do not have enough to gain in this particular case by asking other states to line up on this question. Several of the substantive points covered in the two paras. are up for a vote on other agenda items. We cannot fairly expect other Dels to go out of their way to condemn the Soviet Union in such strong terms in a general Res. of this sort.

e. We can understand the desire of the Brit. to make a strong rejoinder to the Russian charges. However, we feel that this objective can be accomplished by a strong speech by the Brit. covering contents of paras. 4 and 5, if they wish, and by the speeches which we and other interested Dels. make on the subject. It will not advance the work of the Assembly or materially advance our own objectives to have such condemnation embodied in this Res. It might have the effect of impairing the chance of effective action on other matters pending before the Assembly.

f. We would, in a sense, by including such provisions in the Res. be resorting to tactics similar to those for which we condemn the Russians; that is, making personal attacks upon individual states. So far as any condemnation of Russian tactics is required, it is implicit in the text of the Res. as it previously stood. Laying bare the Russian lack of good faith in arriving at honest and peaceful solutions can better be brought about in connection with specific cases requiring action by the Assembly.

g. The addition of the two condemnatory paras. converts the substitute Res. into an obvious rebuttal in kind to the Soviet proposal and would be taken as such by the GA and public opinion generally. This would diminish the effectiveness of our proposal since it would become an obvious tactical move rather than a constructive alternative to a cynical propaganda move by the Soviets.

3. For the foregoing reasons the Dept feels strongly that this question should be reexamined promptly with the UK and the French Dels with a view to persuading the UK to cover the condemnatory ideas that they have in mind in their statement to the Committee and to the Assembly.

4. As to remainder of Res. we feel that comparable provisions of original text (Delga 62) ³ are in general preferable, but we offer no specific comments.

5. Dept agrees with your conclusion that it would be desirable to have the US and the UK sponsor Res. The question of sponsorship,

³ October 6, p. 97.

however, is a matter which must be left finally to the discretion of the Delegation.

WEBB

IO Files : US/A/C.1/1291

*Memorandum of Conversation, by Mr. Charles P. Noyes, Adviser,
United States Delegation to the United Nations General Assembly*

CONFIDENTIAL

[NEW YORK,] October 10, 1949.

MEMORANDUM OF MEETING HELD IN AMBASSADOR AUSTIN'S OFFICE ON
OCTOBER 10, 1949, AT 5:30 P.M.

Subject: Soviet Proposal

Participants:

French Delegation
Ambassador Chauvel

United Kingdom Delegation
Mr. Hector McNeil
Sir Alexander Cadogan
Mr. Roger Allen

United States Delegation
Ambassador Austin
Mr. J. D. Hickerson
Mr. C. P. Noyes

Ambassador Austin opened the meeting, stating he had been over the suggestions which had been worked out earlier in the afternoon between the Officers of the two delegations;¹ he had been in touch with the State Department; and as to most of the points which have been changed from previous drafts there was no difficulty. However, with respect to the third paragraph of the resolution: "*Noting* with regret the actions of the minority . . .", we had real difficulty. He felt, as in the case of the previous—much stronger proposals—of the UK along these lines, that an effort to obtain condemnation of the Soviet Bloc in the General Assembly would create real difficulties among the other delegations. It was inconsistent with the general line of the policy which the US had followed in this assembly as set forth in the Secretary's speech. He was therefore in the position of trying to sell the UK Delegation this draft resolution without that paragraph.

Ambassador Austin felt it absolutely essential in the light of the fact that the US and the UK were the chief targets of the Russian Resolution, that we reach agreement on the text of the resolution and on tactics. Any split between us on a question of this kind would be unthinkable. He pointed out that time was of the essence; that information which had just been received from Lake Success indicated that the matter would arise tomorrow morning and that we were very

¹ Reference is to the redraft of the United States-United Kingdom resolution contained in Delga 82, *infra*.

pressed for time to consult other delegations before acting. He referred to the likelihood that many delegations, if not informed immediately of the US-UK agreement to submit a resolution, would introduce draft substitute resolutions or amendments to the Soviet resolution.

Ambassador Austin said that Dr. Arce had submitted a draft to him,² which he was not at liberty to give them, but which was thoroughly unsatisfactory or even worse from our point of view.

Ambassador Austin said he did not know what the position of Mr. McNeil was with respect to his Government and was very anxious to know whether they could not agree with us.

Mr. McNeil indicated that he did not think we were asking the General Assembly very much in asking them to state that the Communist Nations had compromised the success of the United Nations by their actions. He thought this was the least we could do.

Sir Alexander indicated that he thought the purpose of their paragraph was rather to turn the gun on the Soviets. He thought that the USSR had made outrageous charges against us and that it was essential that we should turn the Assembly to some extent against them in the light of the fact that it was they who were responsible for the world's situation. Mr. McNeil thought that without their proposed paragraph the USSR would easily accept the resolution.

Mr. Hickerson pointed out that they would not be able to accept the paragraph regarding the veto; the paragraph regarding participating fully in the United Nations; and the paragraph regarding the removal of barriers to the free exchange of information.

Sir Alexander replied that they could accept all the others—even perhaps turning them against us.

Ambassador Chauvel was asked his view. He avoided a direct answer at first, indicating this was primarily a matter between the US and the UK delegations. He said he would have no difficulty in supporting the British paragraph. He thought it might be worth while canvassing the other delegations.

Mr. Hickerson said that what we were principally worried about was that we were asking the other delegations to line up and choose

² On the morning of October 10, Dr. José Arce, Chairman of the Argentine Delegation and Permanent Argentine Representative at the United Nations, left a draft resolution with Ambassador Austin which Argentina was prepared to introduce as a substitute to the Soviet proposal. Arce requested the reaction of the United States Delegation by October 11. The Argentine draft, transmitted to the Department of State in Delga 77, October 10, not printed, provided for expression of concern by the General Assembly regarding the failure of the Great Powers to resolve their differences and called for the establishment by the Assembly of an "International Conciliation Commission" composed of representatives of the nonpermanent member states of the Security Council. This Commission would study the issues dividing the Great Powers and offer its good offices with a view to facilitating agreement. The Commission would also promote Great Power adherence to a treaty of nonaggression. (501.BB/10-1049)

between the USSR and ourselves; we were afraid that what might happen would be that we would get, say, 18 votes in favor, perhaps 10 against, and that the rest of the Assembly would abstain. He thought this was a serious risk to take.

Mr. McNeil pointed out that we could be assured of the vote of the Atlantic Treaty members and of the Commonwealth, except for India. He asked how many of the Latin-Americans we could line up in support.

Mr. Hickerson replied that we did not know but we were worried that the inclusion of this paragraph would make it more difficult to obtain support.

Mr. Allen remarked that there was something to be said for the point of view that there would be more desire on the part of the Latin-Americans to amend a more mild resolution such as this would be without the UK paragraph. If their paragraph were included, the resolution would be directed more pointedly against the USSR which would make it more difficult for such nations to add on to it the ideas, for example, which Mr. Arce had put forward. We would have a difficult time in refusing to accept such proposals which would be on their face directed to the same general aims which we were professing to support.

Mr. Chauvel indicated he thought the British paragraph was too vague in its present form. He suggested that in its present form it was subject to the same objections which the Soviet Resolution was subject to, namely, that the charges were not specified.

Mr. McNeil indicated that this was not his fault; that they had preferred a stronger and more detailed specification as well as more vigorous condemnation but that the difficulty now was that the US could not see its way to agreeing.

The summary of Mr. Rusk's remarks made in Boston³ had been read during the conversation and Mr. McNeil observed, without any offense, that the State Department was not following the same policy on this matter as Mr. Rusk.

Ambassador Austin urged Mr. Chauvel not to ginger this resolution up any more than it was. In its present form it was too strong for us.

After some further discussion in which the British continued to argue their position, Ambassador Austin suggested that in the interests of unity and speed, both of which were essential, we might agree to the resolution with the British-suggested paragraph in it on the clear understanding that after we had had an opportunity to consult other delegations and obtained their reactions, we and the UK would use our best judgment as to whether or not it was wise to leave this paragraph in the final text.

³ For text of the address by Dean Rusk, Deputy Under Secretary of State, before the Boston Conference on Distribution, October 10, see Department of State *Bulletin*, October 24, 1949, p. 630.

Ambassador Austin asked Mr. McNeil whether he was in position to reach any agreement on this matter tonight without reference to his Government. Mr. McNeil said he thought he was and he thought they would accept whatever recommendations he made.

Ambassador Austin said he thought he was in the same position on this question and hoped, in the interests of getting on, we could reach agreement along these lines. McNeil agreed.

We then went over the resolution and made a few minor changes at British and French suggestion.

We then considered a memorandum indicating the line our Political Officers would take with other delegations. [US/A/C.1/1284] ⁴ The British agreed to this.

In regard to paragraph No. 3, ⁵ it was understood that Ambassador Austin should, if he desired, show a copy of the resolution to Romulo, Padilla Nervo and Arce. Copy should also be shown to Pearson. ⁶ Mr. McNeil said it was essential that Pearson be shown a copy; that other white members of the British Commonwealth should also be shown a copy of it. He said he would make it very clear that it was *Confidential* and would try very hard to keep it from leaking.

At this point we were advised that Committee 1 would not meet until Wednesday ⁷ on this question.

As to the order of speakers, Mr. McNeil suggested that Ambassador Austin should come immediately after Vishinsky and that he would go in right after; he would be prepared to speak before Ambassador Austin if Mr. Austin desired.

As to our other stalwarts, in which he included the Canadians, Norwegians and the Belgians, he suggested that they should be spaced through the debate so as to come in after the members of the Soviet Bloc, and carry the tone of the debate.

CHARLES P. NOYES

⁴ Not printed. Brackets appear in the original.

⁵ Paragraph 3 of memorandum US/A/C.1/1284 emphasized the necessity of avoiding a leak. (IO Files)

⁶ Lester B. Pearson, Chairman of the Canadian Delegation; Canadian Secretary of State for External Affairs.

⁷ The First Committee did not actually begin consideration of the Soviet draft resolution until its 325th Meeting, November 14.

501.BB/10-1049 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

PRIORITY

NEW YORK, October 10, 1949—10:52 p. m.

Delga 82. Following is text of resolution tentatively agreed to in British, French, US meeting this evening. We agreed that third paragraph might be provisionally included on the understanding that this

decision would be reviewed after consultation with other delegates during the day tomorrow, and that we would both use our best judgment as to whether or not it should remain in final text:

"The GA convinced that peace depends on deeds rather than words and requires fulfillment in good faith of international obligations:

Declares that the Charter of the UN, the most solemn pact of peace in history, lays down all the principles necessary for an enduring peace;

Notes with regret that a minority of states, by their actions both inside and outside the UN, have compromised the success of its work, and recognizes the gravity of this situation and the urgent necessity of bringing about an increase in international confidence;

Calls upon all nations:

To refrain from the threat or use of force contrary to the Charter;

To refrain from any acts, direct or indirect, aimed at impairing the freedom, independence, or integrity of any state, or from fomenting civil strife in any state;

To carry out in good faith their international agreements;

To cooperate in supporting UN efforts to settle outstanding problems, and in particular, the control of atomic energy and the regulation of conventional armaments;

To afford all UN bodies full cooperation and free access in the performance of their assigned tasks;

To promote and encourage respect for religious freedom and political liberties;

To remove the barriers which deny to peoples the free exchange of information essential to international understanding and peace;

Calls upon all members to participate fully in the work of the UN including its subsidiary bodies and its specialized agencies;

Calls upon the five permanent members of the SC to cooperate in making the SC a more effective instrument for maintaining peace especially by the exercise of restraint in the use of the veto."

AUSTIN

501.BB/10-1049: Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, October 11, 1949—1 p. m.

Gadel 47. Dept believes you shld immed discuss with Arce the basic philosophy and technique which we are attempting to follow in dealing with Soviet res (re Delga 77,¹ 78²).

In this connection you can point out why it is that this res wld not be consistent with our approach and wld create hazard of falling directly into Soviet propaganda trap.

¹ See footnote 2, p. 105.

² Not printed.

You shld point out fol:

(a) Each of matters coming within jurisdiction of proposed commission is being or could be dealt with positively in an existing forum. A new piece of machinery would not necessarily produce progress in those forums, but it wld provide new outlet for Soviet propaganda.

(b) In our view Soviet does not want substantive progress in these fields at this time. When they do want progress it will not be necessary to have another commission to help it along; we will be alert to take advantage of any changed attitude and will examine seriously any proposals they may make.

(c) We are afraid that if the new machinery were established it would create a false impression in world public opinion that progress was in sight whereas in fact that would not be true.

(d) Pacts with the Soviets at present time would operate on a double standard; our philosophy is that what is needed is bona fide adherence to existing pacts, not new ones.

ACHESON

IO Files : US/A/M(Chr)/111

Minutes of the Seventeenth Meeting of the United States Delegation to the Fourth Regular Session of the General Assembly,¹ New York, October 12, 1949, 9 a. m.

SECRET

[Here follows a list of persons (41) present.]

1. *Soviet Proposal*

Ambassador Austin described the conversations which he had carried on the preceding day with the President of the Assembly and the representatives of Mexico and Argentina. These conversations had been eminently satisfactory. Romulo had commented that our proposal would carry. Padilla Nervo had requested a copy of the resolution, but it had been explained to him that we were not giving it out at this time. He said he had some suggestions which he would wish to put forward later. Padilla Nervo liked the idea of joint sponsorship by the United States and United Kingdom. Ambassador Austin said that Dr. Arce had commented that he did not consider that the resolution conflicted with his draft proposal.

Ambassador Austin had explained that we could not accept his text, and although Dr. Arce had not committed himself to support our resolution, it had seemed to Ambassador Austin that he would go along.

Mr. Hickerson said that the political liaison officers under his direction had sounded out certain delegations on this matter, acting with

¹ Information on the composition of the United States Delegation is included in documentation on organization and arrangements for the conduct of United States relations with the United Nations, pp. 1 ff.

considerable circumspection. Yesterday it had been learned that the item would not come up in Committee 1 this week. Possibly the Soviet Proposal might come up about Monday,² although if Committee 1 had received the report of the Greek Conciliation Committee, it would consider that first. As he saw it, the result might be the postponement of the Soviet item for one or two weeks, which might change the atmosphere somewhat. For this reason, the liaison officers had taken great care to explain that our draft resolution was tentative. Some delegations had been permitted to read the resolution, while it had been summarized for others. There had not been one adverse reaction as regards the third paragraph, which began "notes with regret". There had been an attempt to sound out the delegations specifically on that; the only suggestion made had been that it might be improved if instead of saying "a minority of states" the resolution referred explicitly to "the USSR". Freitas-Valle³ of Brazil had thought the resolution perfect; his delegation would vote for it and make a speech if we wished them to do so. The other Latin American states also liked the resolution. Mr. Dreier⁴ noted that Costa Rica and Honduras had been generally favorable to our proposal and had insisted that there must be a substitute resolution. Ambassador Austin commented that this was a great advance, since he had understood that Panama and Costa Rica were working for paragraph three of the Soviet resolution, with some modification. Mr. Dreier said that the Colombian Delegation had thought the Soviet Union would make good propaganda out of the refusal of the United States and the United Kingdom to join the proposed peace pact.

Mr. Hickerson stated that a condensed summary of these conversations would be circulated to the Delegation. He noted that Tsiang⁵ had said China would support the resolution and had expressed the hope we would take some note of the fact that there was no use in entering into new treaties until present treaty obligations were observed. Sarper⁶ of Turkey had also been approached and had been shown a copy of the resolution with which he was in complete agreement. He was wholeheartedly supporting our position and was talking it up to other delegations as well.

[Here follows discussion of other subjects.]

² October 17.

³ M. C. de Freitas Valle, Chairman of the Brazilian Delegation; Secretary-General of the Brazilian Ministry of External Relations.

⁴ John C. Dreier, Adviser, United States Delegation; Chief of the Division of Special Inter-American Affairs; Department of State.

⁵ Dr. Tingfu F. Tsiang, Chairman of the Chinese Delegation; Permanent Chinese Representative at the United Nations.

⁶ Selim Sarper, Chairman of the Turkish Delegation; Permanent Turkish Representative at the United Nations.

10 Files: US/A/C.1/1412

*Memorandum of Conversation, by Mr. Harley A. Notter, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] October 17, 1949.

Subject: Soviet Resolution

Participants: Mr. J. D. L. Hood,¹ Australian Delegation
H.E. Mr. Fernand van Langenhove,² Belgian Delegation
The Hon. Lester B. Pearson, Canadian Delegation
H. E. Mr. Henrik Kauffmann,³ Danish Delegation
Mr. Maurice Couve de Murville,⁴ French Delegation
Mr. Alberto Tarchiani,⁵ Italian Delegation
Mr. Foss Shanahan,⁶ New Zealand Delegation
Dr. van Heuven Goedhart,⁷ Netherlands Delegation
Dr. Arne T. Sunde,⁸ Norwegian Delegation
Mr. Sven Grafstrom,⁹ Swedish Delegation
H.E.G.P. Jooste,¹⁰ South African Delegation
The Rt. Hon. Hector McNeil, United Kingdom Delegation
Ambassador Philip C. Jessup, United States Delegation
Assistant Secretary John D. Hickerson, United States Delegation
Several Advisors of the United States Delegation

One of the subjects of the discussion of this dinner meeting was the Soviet Resolution. The subject was raised by Ambassador Jessup and the discussion was introduced by Mr. Hickerson.

Mr. Hickerson presented our analysis of the Soviet Resolution, informed the group of the US/UK joint resolution and the consultations with other states, and read the text of the resolution as so far developed. He specified that the Soviet Resolution was distinguished

¹ Member of the Australian Delegation; Minister in Charge of the Mission to the United Nations.

² Member of the Belgian Delegation; Permanent Belgian Representative at the United Nations.

³ Alternate Member of the Danish Delegation; Danish Ambassador in the United States.

⁴ Alternate Member of the French Delegation; Director-General, Department of Political Affairs, French Ministry for Foreign Affairs.

⁵ Italian observer at the United Nations; Italian Ambassador in the United States.

⁶ Member of the New Zealand Delegation; officer in the New Zealand Ministry for External Affairs.

⁷ Vice-Chairman of the Netherlands Delegation; Member of the First Chamber of the Netherlands States-General.

⁸ Member of the Norwegian Delegation; Permanent Norwegian Representative at the United Nations.

⁹ Alternate Member of the Swedish Delegation; Permanent Swedish Representative at the United Nations.

¹⁰ Chairman of the South African Delegation; South African Ambassador in the United States.

from its predecessors by its charges directly against the US and the UK governments; the proposed action on atomic energy was a strategem to separate use of atomic energy from safeguarding controls; and the projected proposal for a Five-Power pact was unnecessary because it would duplicate the obligations of all 59 members of the UN under the Charter, was a fraud in setting up a new agreement without fulfilling the obligations of the earlier agreement of the Charter, and aimed at major power domination. He stated that the US and the UK believed that the Soviet Resolution must be voted down definitively. He promised members present would receive a copy of the US/UK resolution, which we had endeavored to make an entirely honest resolution concerning fundamentals of peace in existing circumstances as soon as a final text had been agreed upon between the US and the UK.

In the discussion that followed, Mr. Pearson made a suggestion that the sponsorship should be wider; he suggested a group of five sponsors including the US and the UK, a Latin-American state, an Asiatic state and a European state—France. He doubted the desirability of including the third paragraph on the ground that it turned condemnation back on the Soviets and opened us to the charge of doing what we criticized the Soviets themselves for doing. His discussion of atomic energy was interrupted and left unfinished, but he stated that the second paragraph of the Soviet resolution was general and misleading.

There was firm agreement in the discussion to have a substitute resolution, though Dr. Goedhart initially suggested having no substitute. There was also clear agreement that the substitute should be of a character which the Soviets could not accept.

Ambassador Jooste of South Africa raised a pointed question concerning the meaning of "free access" for UN bodies. He expressed the view that his government fully accepted the projected resolution and would support it to the fullest possible extent, but South Africa desired to know exactly what it was agreeing upon when expressing its approval. It was pointed out by Mr. Pearson and Mr. Hickerson that the UN bodies in question would have had to be approved by the General Assembly by a $\frac{2}{3}$ vote, and that thereafter "free access" in the performance of their assigned tasks must be granted to these bodies by all members so far as necessary to these duties. He only alluded to a second point, but he did not raise it in the discussion. (He told Mr. Notter after the main discussion that this concerned the meaning of the words "political liberties". In view of his evident concern with these two matters, some of the Advisers will lunch with Mr. Jooste on Tuesday¹¹ for the purpose of further discussion.)

¹¹ October 18.

Hector McNeil stated that in handling the Soviet Resolution, we must seek to avoid having a vote on the separate phrases in that resolution; he mentioned that otherwise the British would have to vote in favor of some of the phrases.

There was much consideration of the problem of handling Committee I business on Tuesday, especially the Soviet Resolution. There was general desire to avoid discussion in Committee I on that Resolution before the Italian Colonies were disposed of. It was pointed out that the Soviets would press for discussion of their resolution in Committee I immediately in order to gain the advantages of the so-called International Peace Day rallies that had been held October 2nd, but especially in order to have the Soviet position developed publicly prior to the Security Council elections in the Plenary session on Thursday. This tied up intimately with Vishinsky's intention to have a 3:30 press conference on Tuesday, which predictably would be devoted to the nomination of Czechoslovakia and probably also to the Soviet resolution. The discussion left much uncertainty whether other items to come before Committee I on Tuesday would consume the time of the meeting or not. Mr. M. Couve de Murville agreed to open up a move in Committee I on Tuesday to postpone further committee meetings until Friday and to commence on that day the discussion of the report of Subcommittee 17 on the Italian Colonies.

H. NOTTER

IO Files: US/A/C.1/1610

*Memorandum of Conversation, by Mr. Harley A. Notter, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] November 4, 1949.

Subject: US/UK Substitute for the Soviet Resolution

Participants:	Mr. Hector McNeil	}	United Kingdom Delegation
	Sir Alexander Cadogan		
	Mr. D. S. Laskey		
	M. Jean Chauvel	}	French Delegation
	M. Pierre Ordonneau		
	Senator Warren R. Austin	}	United States Delegation
	Mr. John Hickerson		
	Mr. Charles P. Noyes		
	Mr. Hayden Raynor		
	Mr. Harley Notter		

The discussion was started by the Senator on the question of sponsorship, but immediately Mr. McNeil raised the question of the "Notes

with Regret" paragraph. He thought that it should be in the resolution. Mr. Chauvel was asked for his views and said his Delegation would support more strongly a mild resolution and that they would not, therefore, like this third paragraph though they would not vote against it or the resolution. In his opinion it did not strengthen the resolution. After the Senator asked whether the British sponsorship was dependent upon the third paragraph, Mr. McNeil stated that the British would support and co-sponsor our draft,¹ but if we were open to the idea, he desired very much to have our reconsideration of this paragraph for its inclusion. His government desired it to be in. The Senator indicated that he hoped Mr. McNeil had the authority to approve it one way or the other, in or out, and Mr. McNeil did not dissent.

It was agreed that the Soviet Resolution would definitely be reached Monday after next,² or at least by November 13th or 14th. Therefore, it was necessary to decide quickly. It was agreed that the US and UK should sponsor the resolution. It was felt that our manoeuvrability and assurances against unwelcome amendments would be enhanced if there were no wider sponsorship. On the "Notes with Regret" paragraph, or the so-called third paragraph, it was argued by the Americans that it would lose votes and that the gains were doubtful in return. In reply to a question, Mr. McNeil stated that he did not think it would lose votes, though some would abstain on this paragraph and on the resolution as a whole with this provision in it, and that this paragraph would be a means of giving a direct reply to the Soviet charges. In return it was argued that the original British proposal containing a much more specific condemnation would have a chance of achieving such a gain, but that the modified present wording would not.

On the possibility of an additional paragraph concerning peace settlements, it was agreed that no such paragraph should be initiated by the US and UK, but the door was left open for its consideration in the event that we find strong pressure from other friendly Delegations for its inclusion.

On Atomic Energy, the French approved the present wording, following prolonged discussion of the advantages or disadvantages of including the same wording as would expectedly come out of the debates in the *Ad Hoc* Committee on this subject. It was argued by the Americans and finally the British that we could not have divergent wording without serious risks of difficulty. The French, however, did propose breaking up the present paragraph in Document US/A/C.1/

¹ Reference is to US/A/C.1/1586, November 3, not printed. This draft differed substantially from the agreed United States-United Kingdom draft of October 10 (see Delga 82, October 10, p. 107) in several areas. Most notably, it did not include paragraph 3 of the latter text, the "notes with regret" paragraph. (IO Files)

² November 7.

1586 into three paragraphs and that these should come at the end of the resolution, the point on Atomic Energy being put last in order to strengthen it. The British agreed and then we did.

There was further consideration of the problem of getting the draft into the hands of friendly Delegations. The British urged that it not get to the newspapers, and it was finally decided that (a) the new draft would be put in the hands of the Delegates dining with Senator Austin on Monday evening,³ and (b) that the decision on when to table the resolution in the Assembly would be made by the Senator and Mr. McNeil later and probably during the Soviet opening speech in Committee I.

The final upshot on the third paragraph left the matter standing as follows: The British argued strongly for its inclusion and asked us to give it renewed consideration. Mr. McNeil said he felt certain he was expressing Mr. Bevin's strong views on this matter. We agreed to reconsider. Mr. McNeil made it clear, however, that he will accept our decision on it and even if against their position be a co-sponsor of the resolution.⁴

The other small changes which had occurred since the last agreed draft with the British and French were approved.

HARLEY NOTTER

³ See memorandum of conversation by Mr. Freers, p. 116.

⁴ In Delga 181, November 4, Ambassador Austin reported on this meeting and requested the "definitive views" of the Department on the "notes with regret" paragraph (501.BB/11-449). In Gadel 91, November 5, the Department replied as follows: "In light of McNeil's willingness to go along with resolution despite deletion of "notes with regret" para, Dept's view is that this paragraph should be deleted." (501.BB/11-549)

IO Files: US/A/C.1/1675

*Memorandum of Conversation, by Mr. Joseph S. Sparks, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] November 7, 1949.

Subject: Indian Reaction to the "Essentials of Peace" Draft Resolution

Participants: Sir Girja Bajpai, Secretary-General of the Ministry of
External Affairs, India

Mr. Joseph S. Sparks, United States Delegation

I took a copy of the preliminary draft of the "Essentials of Peace" resolution to Sir Girja at his hotel this morning and left it with him for his study. His only reaction was that which he had told us previously, that he hoped we would see our way clear to removing the "Notes with regret" paragraph. He said that if we were prepared to remove that paragraph, he thought that it would be very difficult, if

not impossible, for countries in a position such as India's to do other than support the resolution.

This afternoon I met Sir Girja again at the Airport as he was taking off with the Prime Minister ¹ for London, and told him that the "Notes with regret" paragraph had been removed. Sir Girja said that he was very very pleased, and that he anticipated that there would be no real difficulty about India's supporting the resolution in its present form.

¹ Pandit Jawaharlal Nehru.

IO Files: US/A/C.1/1661

*Memorandum of Conversation, by Mr. Edward Freers, Adviser,
United States Delegation*

SECRET

[NEW YORK,] November 7, 1949.

Subject: Substitute for the Soviet Resolution.

Participants: Dr. Jose Arce—Argentine Delegation
 Ambassador Fernand van Langenhove—Belgian Delegation
 Ambassador Cyro de Freitas-Valle—Brazilian Delegation
 Mr. Paul J. Martin ¹—Canadian Delegation
 Ambassador Hernan Santa Cruz ²—Chilean Delegation
 Ambassador Henrik Kauffmann—Danish Delegation
 Ambassador Jean Chauvel—French Delegation
 Sir Benegal N. Rau ³—Indian Delegation
 Dr. Charles Malik ⁴—Lebanese Delegation
 Mr. Terje Wold ⁵—Norwegian Delegation
 Sir Mohammed Zafrulla Khan ⁶—Pakistani Delegation
 Mr. Hector McNeil—United Kingdom Delegation
 Ambassador W. R. Austin—USDel
 Mr. John Hickerson—USDel
 Mr. Hayden Raynor—USDel
 Mr. C. P. Noyes—USDel
 Mr. Harley Notter—USDel
 Mr. John Dreier—USDel
 Mr. Porter McKeever—USDel
 Mr. Edward Freers—USDel

¹ Member of the Canadian Delegation; Canadian Minister of National Health and Welfare.

² Chairman of the Chilean Delegation; Permanent Chilean Representative at the United Nations.

³ Chairman of the Indian Delegation; Permanent Indian Representative at the United Nations.

⁴ Chairman of the Lebanese Delegation; Lebanese Minister in the United States.

⁵ Member of the Norwegian Delegation; Judge of the Norwegian Supreme Court.

⁶ Chairman of the Pakistani Delegation; Pakistani Minister for Foreign Affairs.

The above were present at a dinner given by Ambassador Austin for the purpose of enlisting the cooperation and support of the above key delegations in bringing about the successful handling of the Soviet proposal. Copies of the latest draft resolution⁷ to be sponsored by the United States and the United Kingdom were circulated, in strict confidence, to form the basis of the discussion. The dinner was marked by a high degree of cordiality and a spirit of willingness on the part of all those present to cooperate fully to overwhelm the Soviets in this attempt of theirs to attack the United Kingdom and the United States.

Ambassador Austin opened the discussion with a statement of our shock and surprise at the fact that the Soviet Union had passed beyond its charges against ruling circles in the United States and United Kingdom and had now made an attempt to brand these countries by name as instigators of a new war. He remarked that such friends of our two countries as Romulo and others had immediately offered to work on substitute resolutions but it immediately became clear to us that as the attacked parties we should meet this problem head on and sponsor a resolution of our own. This resolution would set forth the fundamentals of peace as we saw them rather than represent an endeavor to engage in counter propaganda with the Russians. He observed however that we had no pride of authorship and that all those present were sincerely and strongly invited to make any comments or suggestions that might come to them. This was real consultation and the opinions of all were welcomed. He mentioned that the draft resolution circulated was to be considered secret in order that there would be no leaks to the public which might have an unfortunate tactical effect.

Mr. McNeil, in discussing tactics, pointed out that we should hear what Vishinsky has to say first and then have our resolution come as a full surprise to him.

Mr. Chauvel stated that he wanted the group to know that the only reason that France was not a co-sponsor of the resolution was the fact that France had not been attacked by name as had the United States and the United Kingdom. However he would take full part in the debate and France would support the whole or any part of this resolution.

Mr. Freitas-Valle observed that the issue should be put in a very clear-cut manner to the Assembly. The issue before it should be a judgment on two resolutions—a judgment as to which was wrong and which was right. Nothing should be introduced to confuse the issue. Everyone present should engage fully in the debate.

⁷ US/A/C.1/1586/Rev. 1, November 7, not printed; for the text of the resolution actually submitted by the United States and the United Kingdom at the 325th Meeting of the First Committee, November 14, and ultimately approved by the General Assembly as Resolution 290 (IV), December 1, see p. 143.

Sir Zafrulla suggested that our resolution should be put in just before we speak and that the tactic should be to smash Vishinsky's proposal in our speech and then develop the points in our own proposal.

Dr. Arce mentioned the fact that at the very beginning he had drawn up a draft resolution which he thought would serve the cause of getting the two sides together in a peaceful way after they had been attacked by each other. He said that he was keeping this draft resolution ready for presentation but did not know for sure whether he would submit it. He said that he would listen for a while and then consult Dr. Munoz, his adviser, and decide whether or not it should be presented. He felt that we really could not tell what Vishinsky's proposal would be. It might be a case of the mountain laboring and bringing forth a mouse or it might bring forth a tiger. He felt that the section in the resolution devoted to religious freedom and political liberties might be dropped since it would call forth a long debate on something that has been continually debated in the Assembly.

Dr. Malik suggested that our attack should be concentrated on the weaknesses of the Soviet regime and Communism—that is, the basic philosophical contradictions and violations of human rights. He agreed with Mr. Freitas-Valle that there should be only two resolutions submitted and that the issue between the two opposing sides should be kept very clear.

Mr. Freitas-Valle suggested that our campaign be concentrated on an elaboration of the duties of individuals and their rights. It should go fully into the matter of the relation between the individual and the state.

Mr. Martin remarked that his delegation had also worked on another resolution but had come to the conclusion that it was not desirable to have competing resolutions. The objective was an overwhelming defeat of the Russian resolution and since the United States and the United Kingdom were specifically attacked, it was appropriate for them to sponsor their own resolution in reply. Mr. Martin said that the question of individual rights raised by Mr. Freitas-Valle was implicitly treated in several sections of the resolution, but he did think that a rephrasing of the sentence in the preamble containing the words "lays down the basic principles necessary for an enduring peace" would be required. He felt that the word "*the*" was exclusive and meant to embrace all the principles which was somewhat inaccurate and presumptuous. He also stated that the Canadian Delegation would welcome some direction on the matter of the discussion of atomic energy, that is, how it should be approached in debate on the Soviet and our own resolutions in view of the exhaustive discussion of this subject in the *Ad Hoc* Committee.

Mr. McNeil remarked that it appeared desirable to look at the question of "all the principles" for peace again. He also pointed out that he had originally suggested the transfer of the atomic energy paragraph of the Soviet resolution to the *Ad Hoc* Committee but had not received any support on this proposal from the other delegations present. He felt that the question of the voluntary surrender of a portion of national sovereignty should be given full attention in the debate since it apparently meets an expanding desire on the part of many delegations.

Sir Zafrulla suggested that any modifications which might seem desirable in the resolution be accomplished "behind the scenes" and not take the form of amendments or compromises in the debate. He believed that it was very important for the debate to be centered around the two resolutions only in order to oblige the Assembly to choose between one and the other and obviate the possibility that the Soviets could claim whatever resulted as a victory for their item.

Mr. Freitas-Valle remarked that what was really called for was a motion of for or against the countries attacked.

Mr. Kauffmann stated that he was seeing the text of our resolution for the first time but wanted those present to know that Denmark would support the resolution without reservation as it stands. He said he would inform Mr. Raynor of any ideas which might occur to him after he has studied the text. He supported Mr. Freitas-Valle in the thought that there should be only two resolutions.

Sir Benegal said that the instructions he had received from his Government made it possible for him to support our draft resolution in substance. Now that he had this new text in his possession he would give the matter further thought and might have some minor recommendations with regard to changes in it.

Dr. Malik said that he felt that very strong and deep consideration should be given to the speeches in this debate. He felt that the matter should not be left just to diplomats and politicians but that we should consult the serious thinkers of our respective countries for the purpose of having our statements go to the root of the basic fallacies of Communism and Soviet Marxist theory. He recommended submitting drafts of our speeches to such persons as Arnold Toynbee.⁸ He said that this campaign against Communism should be very well planned and that the debate should be a wholesale attack on the Soviet resolution.

Mr. Santa Cruz supported the idea of two resolutions only. He suggested that our resolution not be presented until after Vishinsky speaks because it is impossible to forecast in advance with certainty just what Vishinsky will say. He concurred in the remarks of Martin and

⁸ Prof. Arnold J. Toynbee, British historian.

Freitas-Valle on the necessity of laying emphasis on individual rights in the debate and felt that much of the material in the declaration on human rights would be very useful. There should be full development of the question of the rights of individual people as against the state.

Mr. van Langenhove declared that public opinion in Belgium would be much more impressed and much more interested in any concrete facts which could be brought forth in the debate rather than declarations of principle. He thought that it was important that our resolution and Ambassador Austin's speech be presented immediately after Vishinsky speaks which would center the discussion around the two resolutions from the very beginning rather than allowing the propaganda in connection with the Soviet resolution to get sole early dissemination.

Justice Wold observed that the Norwegian Delegation had seen and discussed early drafts of the resolution and would vote for it as it stands. He declared that for propaganda purposes it would be important to avoid any amendments and also important that only two proposals be presented. On the content of the resolution however he suggested that it be made as concrete as possible and he viewed it as a measure to counteract directly the Soviet resolution. He said that the first paragraph of the Soviet resolution was full of concrete charges against the United States and the United Kingdom. Thus in the first paragraph they wished to condemn these countries. In the second they charged them with destroying the hope of controlling atomic energy. In the third they put forward a solution for peace. Justice Wold said that other countries not mentioned felt themselves attacked just as much as the United States and the United Kingdom. He wondered whether the preamble was concrete enough. He said that it might not be necessary to say "notes with regret" but that the same general line of thinking should be adopted and specific points mentioned. He pointed out that actually in other situations this has occurred. For example, in the Security Council report on the reduction of armaments there has been incorporated a statement to the effect that the Council regrets that nothing has been done with regard to this subject or with regard to the formation of a military force under Article 43 because of the obstruction of certain members. Thus the subject was not avoided there. Justice Wold mentioned the heavy burden on all countries due to military expenditures, the necessity of forming defensive blocs et cetera, and the state of tension prevailing and said that in the debate it should be pointed out why this situation exists by referring to specific points such as the absence of peace treaties, the absence of Article 43 forces, the absence of international control of atomic energy and of agreement regarding arms reductions.

It should be brought out that regional armaments have been necessary in self-defense because countries are afraid of the Soviet Union. It is not necessary to quote "note with regret" but just to state facts and call upon members to take those steps necessary to decrease tension. He said he spoke for all the Scandinavian countries in their support for the resolution and said that the discussion in the debate was of extreme importance. The main roles would of course be played by the United States and the United Kingdom but the others would then all join in.

Mr. McNeil suggested that the non-Soviet delegations should work up a pattern for debate similar to that followed by the Soviets. He said it would seem wise for him to speak after Ambassador Austin with some of the other delegations talking in between. He suggested, for example, that Dr. Malik should start off with a talk dealing with the philosophical and religious aspect of the question. He invited someone to take charge of organizing the preparation of a program for the various talks. He suggested that perhaps Denmark and maybe Norway could speak on military budgets and also that the Scandinavian countries were well qualified to deal with the question of provocation and the growth of fear.

Mr. Santa Cruz remarked that he had always felt the existence of a lack of coordination among the friendly non-Communist countries and Dr. Malik seconded him with a "hear, hear". Mr. Santa Cruz said that whenever Chile made a strong speech he felt that they were alone—that they were something like a small dog harrying a big beast. He said that the six Soviet bloc nations work much better than the fifty other nations not only in the Assembly but in ECOSOC as well. He volunteered to serve as a soldier in the campaign and to give a short talk of ten minutes or so on anything that might be given to him. He said although the resolution is very important, the statements made in the debate are also extremely important and that the first objective is the complete defeat of the Soviet Union.

Mr. McNeil suggested the appointment of a "whip" who would organize the speakers. In a jesting tone he suggested that Dr. Arce might speak on the colonial question as it involved the Soviet Union if, of course, he would avoid mention of the Falkland Islands. Dr. Arce countered with the statement that he would not be able to say anything before he defeated Mr. McNeil on the Italian Colonies question. Mr. McNeil then replied that he wanted to make clear that he was talking about the Soviet Union when he mentioned the matter of colonies.

Ambassador Austin observed that this gathering was proceeding in a most congenial and successful manner and pointed out that the delegations invited had been very carefully selected. It seemed to him that this new group organization was something the United Nations had never seen before.

Mr. Martin said the idea of the "whip" seemed pretty good to him although it was only something he read about because his party had never had one. He observed that Mr. Raynor would be a good "whip" because he was apparently functioning as one already and this would make official what he was doing unofficially.

Mr. McNeil commented on the views set forth by Justice Wold as to a need for making the preamble of the resolution more concrete and wondered if there were any other delegations who shared that opinion. He asked whether a phrase such as "since tension has grown because of failure on Article 43, lack of arms reduction, lack of verification procedure, and failure to implement the majority report on atomic energy" would place any delegation in a vulnerable position. He referred to India which was opposing the majority plan on atomic energy.

Ambassador Kauffmann indicated that he felt that the resolution must pass without amendment and without a great deal of discussion as to changes. He said his delegation had thought much about the wording of the resolution but had been led not to introduce any suggestions of a controversial nature in order that there might be full agreement on a definite text.

Mr. McNeil remarked that that was of course Ambassador Austin's view and that he had disagreed in the beginning but was somewhat reconciled now.

Sir Benegal thought that it was important that the resolution should not be drafted in a vein of "you're another" with reference to making countercharges against the Soviet Union.

Ambassador Austin pointed out that the countercharges would be dealt with in the speeches in the discussion.

Ambassador van Langenhove observed that very few people read General Assembly resolutions but that people as a whole are interested in and impressed by the speeches made in the debate.

Mr. Freitas-Valle complained that the American press gives a great deal more space to the Soviet attacks than it does to the statements made by the non-Soviet delegations. Someone remarked that this was because of their news value.

Dr. Arce stressed the necessity for making the resolution a short one.

There was general discussion as to when debate on the Soviet resolution would begin and as to the possibility of moving up the schedule for Plenary sessions. Mr. Freitas-Valle suggested that Plenaries be held on the coming Saturday and Sunday and Mr. McNeil took up this cause with much zeal. It was finally agreed generally however that an effort would be made to have Plenaries called for November 11, 12 and 14 which would tend to bring the Soviet resolution up on Tuesday, the 15th, rather than the forecast date of Friday, the 18th.

Ambassador Austin stated that he would get an organizing campaign underway the first thing in the morning. He would contact people by telephone and inform them of developments. He remarked that while there appeared to be general agreement on the substance of the resolution, everyone still had a chance to tear it to pieces. However they should bear in mind whether such a thing would be wise under the circumstances and pointed out that the draft was the result of long and patient negotiation and that the suggestions of many delegations had been fully considered in putting it into shape. He expressed gratitude for the concession by Mr. McNeil on important portions of the preamble.

Mr. Santa Cruz and Dr. Malik suggested the holding of another meeting this week. Invitations were extended both by Mr. Santa Cruz and Dr. Arce for dinner meetings. However, Mr. McNeil was fully taken up for dinner the rest of the week so an agreement was made on meeting for breakfast at Essex House at eight a.m. on Thursday, November 10, with McNeil as host. Dr. Malik promised to inform Sir Zafrulla, who had left early in the evening to fulfill another engagement.

EDWARD FREERS

IO Files : US/A/M(Chr)/122

Minutes of the Twenty-eighth Meeting of the United States Delegation to the Fourth Regular Session of the General Assembly, New York, November 8, 1949, 9 a. m.

SECRET

[Here follows a list of persons (45) present.]

Ambassador Austin presented Mr. George Kennan, Counsellor of the Department of State, to the Delegation. Mr. Kennan said that this was his first visit to the United Nations and he had only seen it in action for one day. For this reason, he was reluctant to make any comments. Obviously the United Nations practiced a different kind of diplomacy with a different set of values than that practiced in Washington or in the field. It was our task to find a common denominator between these types of diplomacy. He regarded the Assembly as an impressive and intensely interesting operation. In it, diplomacy had been taken to a new plane on which there were very interesting possibilities.¹ Ambassador Austin commented that he thought the United States was learning the technique of consultation in the UN.

¹ On November 14, Kennan, who was also Director of the Policy Planning Staff, transmitted a memorandum to the Secretary of State regarding United States participation in the General Assembly ; for text, see p. 15.

There were encouraging developments in this direction, including unanimously favorable reactions to consultation on preliminary draft proposals on important subjects.

1. *Substitute resolution for "Soviet Peace Pact Proposal"* (US/A/C.1/1586/Rev. 1)²

Mr. Noyes commented that this resolution had probably been before more Delegations and through more consultations than any previous resolution. The text had first been agreed upon with the French and British, and other Delegations had been consulted on this agreed text. There had been no definitive results, although he felt the draft resolution was acceptable to the great majority as a substitute for the Soviet resolution. He recalled the difficulty which had arisen with the British regarding the "Notes with regret" paragraph; the British had finally agreed to drop this paragraph after a number of states had indicated such a deletion would be helpful in firming up their support for the substitute resolution.

Mr. Noyes pointed out that we had two principal objectives in this case. The first was to defeat the Soviet resolution without amendment. The second was to reach agreement on a substitute resolution which the majority could support. While there were indications that other substitute resolutions were under consideration, we now felt fairly confident that such substitutes had been headed off. We did not know whether amendments would be submitted to our draft. He noted that the Soviet item might come before the First Committee this week.

Mr. Noyes cautioned that this substitute resolution was being kept confidential. It would not be introduced until after Mr. Vyshinsky had spoken. Ambassador Austin was scheduled to speak immediately after Mr. Vyshinsky. Other Delegates supporting our resolution would come into the debate at well-spaced intervals and we had cooperated with these Delegates in order that all major aspects of the problem raised could be covered. In other words, the debate would be a team operation on an informal basis. The only change would come about if any new element should be introduced by the Vyshinsky speech.

Ambassador Austin asked the liaison officers how this resolution stood with the other Delegations. Mr. Raynor stated that all the European countries had been covered both by the US and by the British. The Near Eastern and Asian states had been partly covered in this round of consultations, although all other states in this area had been previously consulted. Mr. Dreier reported that all the Latin American states had been consulted previously, and Argentina, Brazil, Mexico, Chile, El Salvador and Colombia had been shown this draft. Ambassador Austin commented that all Members of the British Com-

² See footnote 1, p. 114.

monwealth were committed to this fight. All their suggested amendments had been presented and considered in advance. At this stage it was important not to overdo our consultation so that it leaked prematurely to the public. The meetings which had been held were quite secret. Ambassador Austin explained that the resolution would be submitted after Mr. Vyshinsky spoke, since it was believed that this would put us in a better strategic position, particularly if Vyshinsky should raise any new points. He noted that the group of Delegates which had met on this resolution had contained various specialists, such as Malik and Santa Cruz on human rights, and Norway on legal problems, and their suggestions had been helpful in obtaining a strong draft resolution. It was hoped to work out a category of points under which the debate could be broken down, and all Delegations which were interested could participate in the program accordingly.

Senator Cooper inquired whether the Soviet proposals for a peace pact and on atomic energy had made any impression. Ambassador Austin said that they had had enough effect that other Delegates did not wish us to omit the subject in our draft resolution, and accordingly the last paragraph referred to the atomic energy problem. Mr. Hickerson commented that this provision was in fact the key-note of the French-Canadian resolution on atomic energy which had been introduced in the *Ad Hoc* Political Committee. This resolution stressed the fact that so long as there were large atomic facilities in the hands of national governments, the world would feel insecure and that we must get away from any reactionary notions about sovereignty, and share sovereignty to the limited extent necessary to have effective control. This line was popular with small countries. Ambassador Austin referred to the Atomic Energy Act of 1946 in which the Congress had declared the necessity for effective safeguards and pointed to it as the oaken beam of the superstructure for atomic energy control. Mr. Hickerson commented that other Delegations had expressed considerable enthusiasm for the way in which this resolution had been handled.

Mr. Fahy pointed out that the phrase "this force" in the final paragraph was rather ambiguous and might be considered as referring back to "atomic weapons". He suggested it might be amended to read "atomic energy". Mr. Compton said he considered the matter of sovereignty a very significant one. He preferred the phrase "joint exercise of sovereignty" rather than the word "sharing" which some people construed to mean dividing.

Ambassador Austin stated that these suggestions would be taken into account by the working group, and that the resolution would be brought back as amended for final clearance.

[Here follows discussion of other subjects.]

IO Files : US/A/C.1/1704

*Memorandum of Conversation, by Mr. G. Hayden Raynor, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] November 10, 1949.

Subject: Substitute for the Soviet Resolution

Participants: Dr. Jose Arce—Argentine Delegation
Ambassador Fernand van Langenhove—Belgian
Delegation
Ambassador Cyro de Freitas-Valle—Brazilian
Delegation
Mr. Paul J. Martin—Canadian Delegation
Ambassador Hernan Santa Cruz—Chilean Delegation
Ambassador Henrik Kauffmann—Danish Delegation
Ambassador Jean Chauvel—French Delegation
Sir Benegal N. Rau—Indian Delegation
Dr. Charles Malik—Lebanese Delegation
Dr. Arne Sunde—Norwegian Delegation
Sir Mohammed Zafrulla Khan—Pakistani Delegation
Mr. Hector McNeil—United Kingdom Delegation
Dr. Luis Padilla Nervo—Mexican Delegation
Sir Alexander Cadogan—United Kingdom Delegation
Mr. Parrott—United Kingdom Delegation
Mr. Fred Warner—United Kingdom Delegation
Ambassador Warren R. Austin—United States
Delegation
Mr. Hayden Raynor—United States Delegation

The above were present this morning at a breakfast given by Mr. Hector McNeil for the purpose of discussing further the strategy to be employed in handling the defeat of the Soviet resolution and the presentation of our substitute therefor. The same cordial atmosphere and desire to cooperate on the part of all, with the possible exception of Padilla Nervo (Mexico), was in evidence as was the case at the dinner on Monday night (described in US/A/C.1/1661, November 8[7]¹).

Mr. McNeil opened the conversation by inquiring if anyone present had any further suggestions to make on the text of the proposed joint US-UK resolution. Ambassador Santa Cruz of Chile stated that he felt there should be a provision covering the promotion of means to raise the standard of living and the well-being of the inhabitants of the world. He indicated that language such as contained in Article 55 of the Charter would suffice. Dr. Malik of Lebanon and others immediately seconded this suggestion and Ambassador Austin stated that this was certainly one of the essentials of peace and should be included in the resolution. There was no dissent to the idea of the inclusion of

¹ *Ante*, p. 116.

such a provision. (Later in the day I showed Ambassador Santa Cruz the text on this point which had been worked out by the international drafting group. He first inquired why we had not used the words "Well-being of the inhabitants". I said I was certain no one had any objection to using these words but we had thought that the simple formulation we had drafted would be better understood by the common people. He expressed concurrence with the wording used.)

Mr. Paul Martin of Canada raised the question of using the expression "the basic principles". He argued that the expression "basic principles" was more accurate. Dr. Malik and Santa Cruz nodded agreement to these comments. He also argued against the inclusion of the expression "that disregard of these principles is primarily responsible for the continuance of international tension". He said this was not the cause of tension but that the real cause was the existence in the world of Communism. He suggested further that the paragraph should end after the words "enduring peace" in the third line of the paragraph. Ambassador Austin, in particular, and others challenged the arguments made by Mr. Martin. After considerable discussion it was agreed to drop the word "the" before "basic principles" but to retain the balance of the paragraph unchanged. During this discussion Freitas-Valle of Brazil questioned whether the Charter was a pact of peace but was immediately challenged on this point by Ambassador Austin and others and Freitas-Valle did not press the matter.

Paul Martin also raised the idea of inserting the provision contained in the earlier Canadian draft calling for the renunciation of all theories that war is inevitable. Mr. Raynor explained how we had attempted to work this into the draft but found that it was difficult to express and did not seem to fit into the balance of the text. Mr. Paul Martin did not press the point.

There was considerable discussion on the atomic energy paragraphs of the resolution and finally general agreement on the wording now included in the revised text, which was formulated by Sir B. N. Rau of India. The feeling was that the wording about sharing sovereignty as well as the wording in the French-Canadian resolution in the *Ad Hoc* Committee was too negative. There was also agreement that the new wording supplemented the French-Canadian draft and was not inconsistent with it. Dr. Arce of Argentina was very pleased with this result as he stated several times that the existing wording was difficult for his government to accept.

There was also considerable discussion of appropriate wording for the paragraph on human rights. Mr. McNeil suggested, and there was general concurrence, that the drafting group should attempt to merge the phraseology read by Mr. Raynor beginning "to promote, in recog-

tion of the dignity and worth of the individual human person . . . ” with Mr. Paul Martin’s language which reads as follows: “to accord full freedom for the peaceful expression of political opposition; to grant the religious organizations independence of the state and supremacy in their own sphere”. Malik and Santa Cruz both suggested that the word “individual” was not necessary to modify the expression “human person”.

On several occasions Mr. Freitas-Valle of Brazil and Dr. Arce of the Argentine argued that there should be a provision in the resolution indicating that the state was a servant of the people, or in some way pointing out that the individual is above the state. There was no decision one way or the other as to whether or not such a provision should be included.

Ambassador Austin reviewed the ten important aspects of the problem of essentials of peace which we feel it is important be developed in detail in one or more speeches during the debate. It was suggested that different representatives present might volunteer to give special attention to one or another of these subjects. It was made quite clear that, of course, every state would wish to include in its own statement what was in its heart but that in addition to such statements certain states might be willing to undertake the additional responsibility of developing one of these points. Denmark and Norway indicated a willingness to speak on point 1. Brazil indicated that it would do so or find another Latin American state to do so with respect to the Rio treaty aspect of point 1. Denmark indicated it would cover point 2. Dr. Malik of Lebanon stated that he would take the lead on point 3. Santa Cruz had left the meeting but Dr. Malik, who had been sitting next to him, said he felt certain Santa Cruz would like to talk on point 4 (later in the day Santa Cruz indicated to me that he would do so). Mr. McNeil also stated that the United Kingdom would devote considerable attention to this point. Denmark and the UK indicated they would refer to point 5. On point 6 Dr. Arce indicated reluctance to speak on the subject of the veto but no one seemed to take this remark of his very seriously. Ambassador Austin stated that he would have considerable to say about point 7. Observations were made that probably China and Yugoslavia would likewise contribute on this point. No one volunteered on point 8. Zafrulla Khan indicated that he intended to say considerable about the threats to small states and on the integrity of small states (point 9). On point 10 the UK, French and Indian representatives said they would all have something to say.

During this discussion van Langenhove of Belgium said he intended to make two main points in his statement: (1) that the dispute was not simply a dispute between the Big Powers but a matter in which

all independent sovereign states were interested; and (2) that there cannot be genuine and sincere cooperation under the principles of the Charter as long as the blackout of information, etc., continues.

There was strong desire expressed that the presentation of points in the debate be coordinated and that the order of speaking, etc., likewise be coordinated and Mr. Raynor was again requested to act as "whip" in this connection.

As to the order of speaking, Belgium, Denmark and Canada expressed a desire to speak early. France expressed a preference for speaking on Saturday. Brazil indicated no hurry. (Later in the day Denmark expressed a desire to me to speak after France.) Belgium indicated a desire to speak early but on the second day of the debate rather than the first. The Canadians indicated that while Paul Martin wanted to speak early that their staff would like to have the week-end to prepare the statement which they intended to make a comprehensive one. Santa Cruz also indicated during the day that he would like the week-end to work on his statement. Iceland also said during the day they were seriously considering a statement and would, of course, want the week-end to work on it. New Zealand confirmed during the day a desire to make a very strong statement and to make it early. Mr. McNeil concurred with the idea of the UK not speaking at the beginning of the debate. It is not yet clear, however, how long Mr. McNeil is willing to wait before making his statement.

During the day the Canadians raised with us again the question of including in the resolution at a minimum, in connection with freedom of religion, the expression "without interference by the state". After several discussions with Arnold Smith,² in the final one of which it was explained to him that the inclusion of such a statement would cost us the votes of Afghanistan, Saudi Arabia and Yemen at least, Arnold Smith agreed to recommend that this matter be dropped.

G. HAYDEN RAYNOR

² Adviser, Canadian Delegation; Principal Adviser, Permanent Canadian Delegation to the United Nations.

IO Files: US/A/M(Chr)/123

Minutes of the Twenty-ninth Meeting of the United States Delegation to the General Assembly, New York, November 12, 1949, 9 a. m.

SECRET

[Here follow a list of persons (37) present and discussion of various matters.]

2. *Substitute Resolution for Soviet "Peace Pact Proposal"* (US/A/C.1/1586/Rev. 2¹)

Mr. Noyes recalled that at the last meeting of the Delegation it had been agreed that when the text of our substitute resolution was finalized it would be resubmitted to the Delegation. Substantially the final text was contained in the document before the delegation, although there were still several suggestions which had not been incorporated. It was now expected that Committee 1 would take up this item Monday, November 14.

Mr. Noyes asked that the Delegation accept the resolution in its present text, leaving the staff free to make minor changes as might be necessary. Ambassador Austin asked if there were any objections.

Mr. Dreier said that Padilla Nervo (Mexico) would feel much happier about the resolution if it included a provision calling upon states to settle their disputes by peaceful means, although he would not insist upon this point. Mr. Noyes indicated that we were prepared to recommend such an addition, provided that the French and British agreed. This could be done by adding to the third from last paragraph a clause along the following line: "to settle their international disputes by peaceful means and to cooperate. . . ." Mr. Hickerson observed that if much more were added the resolution would include the whole Charter and considered that this point was already covered implicitly. Ambassador Austin noted that we had encountered this same problem many times; he believed it was part of the cost of consultations to be forced into the addition of unnecessary provisions of this sort. Mr. Notter indicated that Padilla Nervo's support of our substitute resolution was not contingent upon addition of this provision. Ambassador Austin pointed out, however, that Arce's substitute resolution had covered this point, and emphasized that it was important to head off amendments. If we received 100% support from Padilla Nervo, it would help satisfy Arce who would probably not submit his text. Mr. Cohen² saw nothing in the suggested provision which would not be helpful to us. He felt that, even though this point was covered in the Charter, there was some benefit in pointing out that restraint from the use of force has as its coordinate the settlement of disputes by peaceful means. Ambassador Jessup noted that this was perhaps one of those cases where "it goes without saying but it goes better with saying."

¹ US/A/C.1/1586/Rev. 2, November 10, is not printed; for the text of the resolution actually submitted by the United States and the United Kingdom at the 325th Meeting of the First Committee, November 14, and ultimately approved by the General Assembly as Resolution 290 (IV), December 1, see p. 143.

² Benjamin V. Cohen, Alternate Member of the United States Delegation.

Mr. Notter called the attention of the Delegation to the improvements in the last paragraph which had been suggested by Mr. Compton³ and also noted the improved standards of living and human rights provisions, inspired by Chile and Lebanon.

Senator Cooper⁴ referred to the penultimate paragraph and suggested that the phrase "international regulation of conventional armaments" was not quite clear. Conventional armaments did not necessarily include armed forces, nor did the idea of regulation cover reduction. Perhaps the phrase might be expanded to read "international regulation and reduction of conventional armaments and armed forces." Mr. Hickerson thought that if the other delegations agreed, this would be a helpful and clarifying change. Mr. Cohen considered that the use of the word "reduction" might cause some difficulties unless there were also used some qualifying adjective making clear that the intention was overall and not individual reduction. We certainly should avoid any suggestion of unilateral reduction. Mr. Noyes pointed out that this phrase had previously been used by the United Nations to cover these ideas.

Mr. Cabot⁵ referred to certain remarks made by the former Uruguayan Foreign Minister regarding the relationship between peace and democracy. Perhaps something to cover this idea might be added to the human rights clause of the substitute resolution. Mr. Notter pointed out that this was an action type of resolution and it had been generally agreed, for that reason, that it should not include ideological matters. We did not wish to include anything which, on ideological grounds, the Soviets could not vote for. In his view this precluded inclusion of Mr. Cabot's suggestion.

Mr. Raynor opposed the use of the word "reduction" in the armaments clause for the same reasons which Mr. Cohen had advanced. He pointed out that certain Western European states were now increasing their armaments. Ambassador Austin said he, too, experienced the same sense of caution on this point as Messrs. Cohen and Raynor. Mrs. Roosevelt agreed, observing that there were states which were obliged now to increase their armaments in order to get a balance, and that it would be very bad to have a resolution which might be interpreted to preclude such action. She also cautioned the Delegation about the use of the word "democratic" in the resolution and pointed out that the Soviets interpreted it in quite a different sense than we did. This would simply bring about endless wrangle on interpretation. Ambassador Austin agreed.

³ Dr. Wilson M. Compton, Alternate Member of the United States Delegation; President of the State College of Washington.

⁴ John Sherman Cooper, United States Senator from Kentucky; Member of the United States Delegation.

⁵ John M. Cabot, Adviser, United States Delegation.

Mr. Noyes considered that there was one advantage to the use of the word "reduction." It might avoid facing a Russian proposal to add the word, since it had been included in several other resolutions. He suggested that this point might be decided after the staff had reviewed previous resolutions on disarmament. If this phrase were a firm formula in past resolutions, there was no reason to duck its use in this case. Ambassador Austin thought the original phrase was "possible reduction," and the idea of "effective" carried this thought. Senator Cooper said he had raised the point at the suggestion of the military advisers; he liked the phrase "effective international reduction and regulation." He thought the matter should be considered since otherwise we might run up against this proposal by some other delegations. Ambassador Austin believed we should not change this part of the text. Mr. Hickerson suggested that decision be deferred until the staff could study previous resolutions on armaments, bringing the matter back for final clearance. Ambassador Austin expressed willingness to follow this suggestion if the necessary time was available. Senator Cooper observed that "regulation" as previously used by the United Nations might imply "reduction." Mr. Hickerson agreed that was the sense in which the word had previously been used. Mr. Notter suggested an amendment as follows: "effective international regulation to make possible the reduction of armaments and armed forces." Ambassador Austin pointed out that we did not know that was what we wanted in this field; the "essentials of peace" did not necessarily include reduction of armaments; in the present stage of world affairs "effective regulation" was all that was wanted. Mr. Raynor noted that if the word "reduction" were used, it might give the Soviets a handle to attack us for increasing our armaments.

Mr. Cohen suggested that the United States should not raise this point but should give discretion to Ambassador Austin to do so if it proved necessary in the course of negotiations. If it were opened up, he wondered about the deletion of the word "conventional" and the addition at the end of the clause "in the interests of peace." Mr. Compton thought the resolution was at the point where no further changes should be made and it should be left in the hands of Ambassador Austin. Mr. Hickerson and Ambassador Austin concurred in the view that this provision should not be changed at this time. The former called attention, however, to the fact that the Soviet resolution had referred to the heavy burden of armaments on the peoples of the world, and noted that many Americans talked a great deal about this problem. He did not see how we could evade reference to the ultimate aim of the United Nations to regulate and reduce armaments, particularly since we referred to the complete abolition of atomic weapons. Mr. Cohen agreed that there was no question regarding the

ultimate aim in this case, but use of the word "reduction" might handicap us propaganda-wise on the ground that we were engaged at the present in building up armaments, and could not help but continue doing this in the near future. Our atomic program, on the other hand, was clearer in the public mind. Mr. Notter observed that the phrase used in the resolution had been coined several years ago and was intended to cover the actual conditions in this field. In his view the word "regulation" inherently meant balance—that some nations would not be so weak as to invite attack, and others so strong as to start it. The word "armaments" also included armed forces.

Ambassador Austin then asked whether the Delegation objected to leaving this provision in its present text. It was agreed this should be done.

Referring to the Mexican proposal, Mr. Noyes suggested that this paragraph might be altered along the following lines: "Calls upon all nations to settle their international disputes by peaceful means and to cooperate in supporting United Nations efforts to resolve outstanding problems." This was agreed.

The Delegation then approved the draft resolution as submitted, with the amendment regarding pacific settlement.⁶

[Here follows discussion of other subjects.]

⁶ In a memorandum of conversation of November 12, Notter stated that he and Raynor, following the Delegation meeting, obtained the agreement of Messrs. Wolfram and Parrott, advisers to the French and British Delegations respectively, to this amendment (IO Files).

IO Files: US/A/C.1/1722

Memorandum of Conversation, by Mr. John C. Dreier, Adviser, United States Delegation to the United Nations General Assembly

CONFIDENTIAL

[NEW YORK,] November 12, 1949.

I spoke to Dr. Padilla Nervo at the close of the Committee I meeting yesterday concerning the points he had made in our conversation that morning (see US/A/C.1/1711¹). I explained that the resolution was in what we believed to be final form but that we were, of course, anxious to accommodate his views in so far as possible, particularly if it meant that the resolution would receive his full support.

¹ In the conversation under reference, Padilla Nervo raised three points regarding the United States-United Kingdom draft resolution. First, he stated the belief that it was deficient in not calling upon all states to settle their disputes by peaceful means. Secondly, he expressed the opinion that a reference to consultation would be preferable to the phrase calling upon the Big Five "to exercise restraint in the use of the veto." Finally, he said that he felt that the resolution would benefit from a reference to the peace treaties. (IO Files: US/A/C.1/1711)

I told Dr. Padilla first that consideration had been given to a possible recommendation regarding peace treaties, but that it had been decided for various reasons not to include a provision on that subject. Among other things Ambassador Padilla Nervo would recall that the Mexican resolution of a year ago made a very clear recommendation on the peace treaties which we felt should be allowed to stand. Ambassador Padilla Nervo assented to this view.

I explained that in the early draft as Dr. Padilla knew, reference had been included to "consultation" in connection with the use of the veto in the SC. This reference had been taken out following the agreement among the "big five" to consult before using the veto. In view of this agreement, and recalling that a specific resolution had been adopted by the GA last spring recommending such consultation, we had felt that the phrase "to broaden progressively their cooperation" covered the concept of consultation adequately. However, I said, if Dr. Padilla felt very strongly on the need of specific reference for consultation it might be possible to work it in.

Dr. Padilla said that he understood our point of view on this matter and that he could see reasons for not pressing this point. "But", he said, "what about the other point about peaceful settlement of disputes—that is the one I feel most strongly about". I told him that this concept of peaceful settlement was certainly implicit in the draft resolution but that we felt that it might be of advantage, as he suggested, to make an explicit statement of the principle. I pointed out one or two places in which a statement of this principle could be inserted. Dr. Padilla readily agreed. Without making any comment I indicated that we were favorable to this suggestion.

I then asked Dr. Padilla whether, if this change were made, he would consider the resolution a good one which he could fully support. He said that he considered it a good resolution—the only point about which he had reservations remained the reference to "restraint in the use of the veto". He then spoke at some length about his ideas on this subject, saying that personally he disagreed with his government. The Mexican Government, he said, was against the veto, whereas Dr. Padilla recognized it as essential and believed that the principle of five-power unanimity was essential to the success of the UN. Elimination of the veto would never be approved by the U.S. Senate, he observed, at least under present conditions. In view of this Dr. Padilla said he considered it necessary at all times to insist upon the importance of agreement being reached among the "big five"; he cited various instances in the past when he had taken this course and where agreement had finally been reached despite long discussion and seeming impossibility of accord. His objection to the words in our resolution

quoted above arose from the fact that they pointed a finger at the Soviet Union and mistakenly emphasized the use of the veto as the obstacle to peace. Dr. Padilla feels that the true obstacle is the inability of the five powers to agree and that consultation prior to the use of the veto is the most important immediate step to be emphasized as a means of achieving five power unanimity wherever possible.

At one point I mentioned to Dr. Padilla our desire to have our resolution reflect a broad enough point of view so that amendments would not be offered in the Committee. He quickly said that he did not intend to offer any amendments and that he would never do such a thing without consulting with Ambassador Austin in advance.

IO Files : US/A/C.1/1719

*Memorandum of Conversation, by Mr. Harley A. Notter, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] November 12, 1949.

Subject: US-UK Substitute Resolution

Participants: Mr. Parrott, United Kingdom Delegation
Sir Alexander Cadogan, United Kingdom Delegation
Rt. Honorable Hector McNeil, M. P., United Kingdom
Delegation
Mr. Hayden Raynor, United States Delegation
Mr. Harley Notter, United States Delegation

About noon today Mr. Warner of the United Kingdom Delegation informed us that the British would wish to talk with us. There had already been an earlier conversation in which full agreement had been reached on the only matters either side had wished to raise, and accordingly this news was disturbing.

The conversation that ensued was in two parts. Mr. Parrott first talked with Messrs. Raynor and Notter concerning the British desire to eliminate the provisions concerning "free access". Their argument was that in view of the "extremely disturbing" developments in Committee 4 yesterday, in regard to a resolution in which the United States had been a co-sponsor, in connection with the study of educational development in colonial areas,¹ the British had had a new wave of great doubt about this matter. They had initially been somewhat worried over this provision, not only because of the concern of South Africa lest it adversely affect their problem of South West Africa, but because of more general reasons, and in that connection they had

¹ Documentation on this subject is included in material on questions relating to Article 73 of the Charter (non-self-governing territories outside the United Nations trusteeship system), pp. 340 ff.

already given some thought to the application of this clause on free access to colonial areas. We reasoned with Parrott as well as we could on the events of yesterday regarding the intentions of the United States, and arrived at the following wording: "free access in the performance of the tasks assigned to them under the Charter". Parrott was willing to raise this and thought it quite all right as middle ground, but he was not sure his delegation would accept it. We agreed to raise it with our principal.

At this juncture Mr. McNeil came along and shortly after called over Sir Alexander Cadogan for a further long conversation. Mr. McNeil gave every impression of feeling that his delegation had been goaded to the limit and would go no further in regard to compromises with Committee 4 on their colonial areas. He was not only angry and annoyed, but he was distressed that the United States had not discouraged Committee 4 from adding to the powers of the special committee, and in the special committee itself had not opposed the "dangerous tendencies" towards exceeding the plain bounds of the Charter in regard to Chapter 11.

Neither Mr. Raynor nor Mr. Notter had been at the meeting of Committee 4 yesterday, but in the circumstances we felt compelled to address ourselves to the basic cause of this explosive attitude against us. Mr. McNeil wanted to delete the whole provision on free access. He did not think that the compromise wording was sufficient to accomplish adequate protection against the inroads being made by the special committee "with the assistance of you Americans". He said he felt it was time that the colonial powers of Europe got together and agreed not to send representatives to the special committee but only "observers". He was prepared to announce that his government would be prepared to do this as a direct protest against the illegal extension of the provisions of Chapter 11 and the latitudinous interpretation of the obligations undertaken by colonial powers thereunder.

We stated that the object had been to divert the attention of the special committee from highly controversial political matters on which there had been such great concentration in recent years and to concentrate on functional and technical subjects, and secondly, to hold the committee's attention on a given subject each year so that its work would be more orderly, and the opportunity for controversy would be more limited.

Mr. McNeil asked why we did not stress in that committee the limits of our objectives instead of leaving the interpretation wide open that we were prepared as a next step to send visiting U.N. missions into colonial areas. We reminded him that we submitted informational reports under Article 73(e) on Puerto Rico, Alaska, Hawaii, etc., and

that so far as we knew we had no interest in establishing a precedent that visiting missions would be sent into the territories reported on. In fact, we thought it quite safe to assume that Congress would explode if consent were given to send missions to Puerto Rico, Hawaii or Alaska under this same provision that worried them. In short, we said, an extreme interpretation had been placed on our intentions by his and some other delegations, and we had no such thought in mind. He said: "Then why in Hell don't you people make this clear to that Committee?"

On the point concerning free access, we argued as follows: We said that it was this point which was one of the few which definitely would be unacceptable to the Soviets; that the point applied, in our opinion, to the Balkan Commission, the Korean Commission, which the Soviets opposed; that we could hardly consent to the deletion of the free access clause altogether without running great risk of a break-up of the present excellent support which this resolution had come to enjoy throughout the overwhelming majority of our friends in the Assembly, and that some compromise wording should be made. When Mr. McNeil said that the word "legally" should be inserted before the term "assigned tasks", we said this would play directly into the hands of the Soviets. He agreed and no longer pressed this point, although he returned to it once or two times more.

We found it necessary to argue even further and did so along these lines: The British would be protected under the proposed compromise wording of "the tasks assigned to them under the Charter". If the British were afraid of abusive extensions of the scope of Chapter 11, they always could resort to the Court. Indeed, that was the essential difference between the British position and the Soviet position in this regard: the Soviets had never been willing to refer the legality of the above two commissions and the Interim Committee to the Court for a ruling, whereas the British might be willing, and we would think it would be a good thing, if the British felt as strongly as they did, to refer such a question as this to the Court. We could not speak for our delegation in many of these arguments or suggestions, but these were evident possibilities in the inherent circumstances. We agreed with Mr. McNeil that if the colonial powers felt that they should take extreme action, there should be a discussion of the whole matter at a high level among the parties in interest.

Sir Alexander thought that the compromise wording which Mr. Parrott and we had worked out was a definite improvement and appeared willing to proceed with it. Mr. McNeil felt it necessary, however, to refer this matter by telegram to his government, including the Colonial Office. When he announced this, we sharpened our arguments

even more in the hope that he would realize that we wanted to proceed as a team in this matter; that this was a difficult time of heated feelings in which to consider our American views with the full weight that we ourselves attached to them; but we very much hoped that a strong case would be built in favor of this proposed wording as a compromise, leaving to the speeches to develop anything further that might be desired by the British.

In sketching in our presence the telegram to be drafted by Parrott, Mr. McNeil said that the fears of the British delegation should be expressed, the views of the American Delegation as we had asserted them, and the point should be made that the British always could refer to the Court for a ruling on this matter, in which unquestionably the British view would be sustained. He developed this thought in the sense that in 1947 both Sir Hartley Shawcross² and John Foster Dulles had urged the Russians to seek the ruling of the Court on their charges of illegality of the Interim Committee, and said that he would wish in the debate in Committee I next week to say in his speech that certain illegal actions were being taken, in the view of colonial powers, but his government was willing to have their charges sifted by the Court and a judgment given, and would advise the Soviet Union to do likewise with its charges of illegality of the commissions and committees it objected to.

We broke up at this point. It is uncertain, accordingly, early in the afternoon on Saturday, whether it will be necessary to make a major change in the resolution or not. The compromise wording would not be a major change, even though undertaken to satisfy an extremely strong objection on the part of the United Kingdom. We undertook to refer this compromise wording as quickly as possible to Senator Austin.

Our discussion broke up in a very friendly manner with the temperature of the British perceptibly reduced, but with their opinions regarding the merits of the matter held just as strongly as before.³

HARLEY NOTTER

² Member of the British Delegation; British Minister of State.

³ In a memorandum of telephone conversation, November 15, Notter stated the following:

"At 9:35 this morning Mr. Parrott talked with me on the telephone, at his instance, to inform me that on the basis of word from London the British Delegation accepted the compromise wording of 'free access in the performance of the tasks assigned to them under the Charter'.

He said that this freed the full text from any further question at all from the standpoint of his delegation.

I expressed pleasure at hearing this, and he said he was 'relieved at the outcome'." (IO Files: US/A/C.1/1757)

Ambassador Austin had in the meantime introduced the United States-United Kingdom draft resolution, incorporating this wording; see pp. 139, 143.

Editorial Note

At its 325th Meeting, November 14, the First Committee undertook consideration of the Soviet draft resolution, A/996, "Condemnation of the preparations for a new war, and conclusion of a five-power pact for the strengthening of peace;" for text, see Delga 16, September 23, page 88. Soviet representative Vyshinsky addressed the Committee in support of this proposal. Ambassador Austin then delivered an address during which he introduced the United States-United Kingdom draft resolution, "Essentials for Peace." For text of that resolution, see page 143. For the record of the 325th Meeting, see United Nations, *Official Records of the General Assembly, Fourth Session, First Committee*, page 262. (Hereafter cited as GA(IV), *First Committee*.) For the full text of Austin's address, see Department of State *Bulletin*, November 28, 1949, page 801.

The First Committee considered the two resolutions during its 325th-337th Meetings, November 14-25. At the 337th Meeting, the First Committee, after rejecting the Soviet proposal, approved the United States-United Kingdom "Essentials for Peace" resolution; for the record of that meeting, see GA(IV), *First Committee*, page 333.

IO Files: US/A/C.1/1804

*Memorandum of Conversation, by Mr. John C. Dreier, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] November 21, 1949.

Subject: Argentine Proposal for Conciliation Between East and
West

Participants: Dr. Rodolfo Munoz,¹ Argentine Delegation
Mr. Harley Notter, United States Delegation
Mr. John C. Dreier, United States Delegation

Mr. Notter and Mr. Dreier spoke to Mr. Munoz during the Plenary at Flushing today, giving him a reply to the proposal he had made to Mr. Noyes and Mr. Dreier last week.²

¹ Dr. Rodolfo Muñoz, Vice-Chairman of the Argentine Delegation; Counsellor of Embassy; Permanent Argentine Delegate to the United Nations.

² In a memorandum of his conversation with Muñoz, November 18, Dreier reported that the Argentine Delegation felt that the United States-United Kingdom resolution did not point the way toward breaking the deadlock between East and West. The Argentine Delegation therefore was anxious to introduce a proposal providing for the establishment of a conciliation committee consisting of members of the General Assembly which would consider various problems upon which the Great Powers were unable to agree. (IO Files: US/A/C.1/1783)

Mr. Dreier explained that the Argentine Delegation's idea had been considered very carefully by the U.S. Delegation including Senator Austin personally. We felt that we could not see any constructive outcome for such a proposal at this time. The agenda item under which it would be introduced—namely, the charges against the US and UK by the USSR—would create considerable confusion as to whether conciliation were being proposed concerning alleged war preparations. Moreover, it was emphasized that during consultations prior to the introduction of the US-UK resolution on "Essentials of Peace", the group in which Dr. Arce had taken part had expressed a rather strong preference for a clear-cut decision between the two resolutions. We also know that the UK would not favor the Argentine proposal and believed it would be overwhelmingly defeated. We believed that circumstances were highly unfavorable to such a move at this time, and could not support it ourselves.

Mr. Munoz said he appreciated our giving him those reasons for our position. He was not surprised at our conclusion and said that merely for us to say "no" would have been enough. He said the Argentine Delegation would not introduce the resolution in view of our request that they not do so. Mr. Dreier said we did not wish to make a request of him but merely to explain fully our reasons why we could not support their proposal. Mr. Munoz replied that he perhaps had misused the word "request" but wished us to know that they were not refraining from introducing the resolution for fear of its being defeated but merely to accommodate our views. He reiterated the opinion expressed on previous occasions that some move of this sort would, in his judgment, be useful.

Mr. Notter explained that we were anxious to avoid seeing Argentina defeated in a move of this sort and also did not wish to have a measure for conciliation needlessly presented and defeated in the General Assembly.

Mr. Munoz was assured that Senator Austin would, of course, be very happy to talk to Dr. Arce further about this should the latter so desire. Mr. Munoz expressed appreciation for this and, in conclusion, repeated that unless specific instructions to the contrary were received from Buenos Aires, his delegation would not introduce the proposed conciliation measure.

JOHN C. DREIER

IO Files : US/A/2138

United States Delegation Position Paper

RESTRICTED

[NEW YORK,] November 28, 1949.

CONDEMNATION OF THE PREPARATIONS FOR A NEW WAR, AND CONCLUSION
OF A FIVE-POWER PACT FOR THE STRENGTHENING OF PEACE: REPORT
OF THE FIRST COMMITTEE (A/1150¹)

1. United States Position

The United States should vote in favor of the resolution entitled "Essentials of Peace" submitted jointly by the Delegations of the United States and the United Kingdom and adopted by the First Committee.

The United States should vote against all paragraphs (or parts of paragraphs) of the Soviet draft resolution (A/1149²) which was rejected by the Committee and which has been re-submitted to the Plenary Session.

It will be necessary for the United States Representative to make a brief statement.

2. History in Committee

Resolutions were introduced by the USSR and (jointly) by the United States and the United Kingdom. After a general debate which occupied 13 meetings of the First Committee, the Soviet draft resolution and the US-UK draft resolution were put to the vote. The Soviet resolution was rejected in a paragraph-by-paragraph vote as follows: the first paragraph by 52 votes to 5, with 2 abstentions (Yemen and Yugoslavia); the second paragraph by 38 votes to 5, with 16 abstentions; the first sentence of the third paragraph by 19 votes to 14, with

¹ For text of A/1150 and Corr. 1, November 26, the report of the First Committee recommending that the General Assembly adopt the United States-United Kingdom resolution, see United Nations, *Official Records of the General Assembly, Fourth Session, First Committee, Annexes*, p. 231.

² Subsequent to its rejection in the First Committee, the Soviet Union reintroduced its draft resolution for consideration by the Plenary Session of the General Assembly as document A/1149; for text, see Delga 16, September 23, p. 88.

26 abstentions;* the second sentence of the third paragraph by 41 votes to 6, with 12 abstentions.†

The US-UK resolution was voted upon paragraph-by-paragraph and adopted as a whole by 53 votes to 5, with 1 abstention (Yugoslavia). Paragraphs 10 and 13 received the least number of votes: paragraph 10 which called upon the Five Permanent Members to exercise restraint in the use of the veto was adopted by 51 votes to 5, with 3 abstentions; paragraph 13 which called upon every Member "to agree to the exercise of national sovereignty jointly with other nations to the extent necessary to attain international control of atomic energy which would make effective the prohibition of atomic weapons and assure the use of atomic energy for peaceful purposes only" was adopted by 50 votes to 5, with 4 abstentions.

3. *Possible Developments in Plenary*

It seems unlikely that there will be any new developments in the Plenary, except possibly in connection with the question of the title of the US-UK resolution in the official records of the General Assembly. This question may be raised by the President who may suggest, after adoption of the US-UK resolution, that the resolution be included in the official records under the title under which it was introduced, i.e., "Essentials of Peace", rather than under the title of the original Soviet agenda item on the ground that "Essentials of Peace" describes the actual content of the adopted resolution. If the President makes this suggestion, the United States Delegation should support it.

*States voted as follows: *In favor*: Afghanistan, Byelorussia, Czechoslovakia, Ecuador, Guatemala, Israel, Lebanon, Philippines, Poland, Ukraine, USSR, Uruguay, Yemen and Yugoslavia; *Against*: Australia, Belgium, Bolivia, Brazil, Canada, China, Denmark, Greece, Iceland, Luxembourg, Netherlands, New Zealand, Norway, Paraguay, Sweden, Turkey, South Africa, UK and US; *Abstentions*: Argentina, Burma, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Egypt, El Salvador, Ethiopia, France, Haiti, Honduras, India, Iran, Iraq, Liberia, Mexico, Nicaragua, Pakistan, Panama, Peru, Saudi Arabia, Syria, Thailand and Venezuela. [Footnote in the source text.]

†States voted as follows: *In favor*: Byelorussia, Czechoslovakia, Poland, Ukraine, USSR and Yemen; *Against*: Australia, Belgium, Bolivia, Brazil, Burma, Canada, Chile, China, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, El Salvador, Ethiopia, France, Greece, Haiti, Honduras, Iceland, Iraq, Lebanon, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Sweden, Thailand, Turkey, South Africa, UK, US, Uruguay, Venezuela and Yugoslavia; *Abstentions*: Afghanistan, Argentina, Ecuador, Egypt, Guatemala, India, Iran, Israel, Pakistan, Philippines, Saudi Arabia and Syria. [Footnote in the source text.]

IO Files : A/1187

*Resolution Adopted by the General Assembly at Its 261st Plenary Meeting, 1 December 1949*¹

[290(IV)]

[NEW YORK,] 1 December 1949.

ESSENTIALS OF PEACE²

THE GENERAL ASSEMBLY

1. *Declares* that the Charter of the United Nations, the most solemn pact of peace in history, lays down basic principles necessary for an enduring peace; that disregard of these principles is primarily responsible for the continuance of international tension; and that it is urgently necessary for all Members to act in accordance with these principles in the spirit of co-operation on which the United Nations was founded;

Calls upon every nation

2. *To refrain* from threatening or using force contrary to the Charter;

3. *To refrain* from any threats or acts, direct or indirect, aimed at impairing the freedom, independence or integrity of any State, or at fomenting civil strife and subverting the will of the people in any State;

4. *To carry out* in good faith its international agreements;

5. *To afford* all United Nations bodies full co-operation and free access in the performance of the tasks assigned to them under the Charter;

¹ The General Assembly considered the report of the First Committee approving the "Essentials of Peace" resolution (A/1150) and the draft resolution re-introduced by the Soviet Union (A/1149) at its 257th-261st Plenary Meetings, November 29-December 1. The 257th Meeting was largely devoted to addresses by Vyshinsky and Austin in support of the resolutions proposed by their respective delegations; for the record of that meeting, see GA(IV), *Plenary*, p. 385. At the 261st Meeting, December 1, the General Assembly adopted the "Essentials of Peace" resolution paragraph by paragraph and then as a whole by 53 votes to 5 with one abstention. The Soviet proposal was then rejected by votes of 51-5-2 (paragraph 1), 39-5-15 (paragraph 2), 21-13-23 (first sentence of paragraph 3), and 41-5-10 (the remainder of paragraph 3). For the record of the 261st Meeting, see *ibid.*, p. 430.

² This title was adopted by the General Assembly at its 261st Meeting, December 1, by a vote of 51 to 5.

6. *To promote*, in recognition of the paramount importance of preserving the dignity and worth of the human person, full freedom for the peaceful expression of political opposition, full opportunity for the exercise of religious freedom and full respect for all the other fundamental rights expressed in the Universal Declaration of Human Rights;

7. *To promote* nationally and through international co-operation, efforts to achieve and sustain higher standards of living for all peoples;

8. *To remove* the barriers which deny to peoples the free exchange of information and ideas essential to international understanding and peace;

Calls upon every member

9. *To participate* fully in all the work of the United Nations;

Calls upon the five permanent members of the Security Council

10. *To broaden* progressively their co-operation and to exercise restraint in the use of the veto in order to make the Security Council a more effective instrument for maintaining peace;

Calls upon every nation

11. *To settle* international disputes by peaceful means and to co-operate in supporting United Nations efforts to resolve outstanding problems;

12. *To co-operate* to attain the effective international regulation of conventional armaments; and

13. *To agree* to the exercise of national sovereignty jointly with other nations to the extent necessary to attain international control of atomic energy which would make effective the prohibition of atomic weapons and assure the use of atomic energy for peaceful purposes only.

II. POSITION OF THE UNITED STATES IN THE GENERAL ASSEMBLY OF THE UNITED NATIONS TOWARD CHINESE RESOLUTION CONDEMNING SOVIET VIOLATIONS OF THE SINO-SOVIET TREATY OF AUGUST 14, 1945

501.BB/S-1749: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET PRIORITY

NEW YORK, August 17, 1949—3:55 p. m.

938. 1. Ambassador Tsiang¹ called this morning at his request to

¹ Tingfu F. Tsiang, Permanent Chinese Representative to the United Nations.

inform us that he has been instructed to propose following item for GA² agenda "Soviet violations of the Sino-Soviet Treaty of Friendship and Alliance of 1945".³ Tsiang asked if USG⁴ would support inclusion of this item and if we would give active support to development of case in GA. I told Tsiang I would recommend to Department that we do so. Instructions would accordingly be appreciated at Department's early convenience.

I asked Tsiang if he contemplated filing this item before August 20 deadline for filing supplementary items. He indicated he intends to file item at opening of Assembly, much as Indonesian question was put on agenda at opening last session. Amplifying this point later in discussion, Tsiang said reason for late filing is to avoid tipping off Soviets and Chinese Communists. He asked, therefore, that we keep information very quiet. Members of his own delegation are not aware this step is contemplated. He is instructed to consult "important delegations". He plans to see Cadogan⁵ and probably Chauvel⁶ in immediate future, Indian representative⁷ and Romulo⁸ within few days. He apparently does not plan to expand discussions to other delegations here at this time.

Tsiang said he and his Government had been considering for past year question of putting this item on agenda either of SC or GA. He apparently has case well thought through and said they plan comprehensive review whole treaty and Soviet violations thereof.

[Here follow sections on other matters of the United Nations; for section on the publication of the China White Paper,⁹ see volume IX, pages 1365 ff.]

AUSTIN

² General Assembly of the United Nations.

³ Signed at Moscow, August 14, 1945; United Nations Treaty Series, vol. x, p. 300; for correspondence on negotiation of treaty, see *Foreign Relations*, 1945, vol. vii, pp. 851 ff.

⁴ U.S. Government.

⁵ Sir Alexander M. G. Cadogan, Permanent British Representative to the United Nations.

⁶ Jean Chauvel, Permanent French Representative to the United Nations.

⁷ Ambassador Vijaya Lakshmi Pandit.

⁸ Gen. Carlos Romulo, Permanent Philippine Representative to the United Nations.

⁹ Department of State, *United States Relations With China* (Washington, Government Printing Office, 1949).

761.93/8-1749: Telegram

The Chargé in China (Clark) to the Secretary of State

SECRET

CANTON, August 17, 1949—6 p. m.

Cantel 970. Acting Foreign Minister George Yeh told me in strictest confidence this morning that Government is considering rais-

ing with UN, as threat to world peace, flagrant Soviet violation of letter and spirit Sino-Soviet treaty. There is much opinion in Government, he said, that Government, having publicly taken position Soviet violations, move would be good one.

Although he did not specifically ask for Department's reaction this contemplated move, he asked me to report to him orally and in confidence any reaction thereto I might receive. In other words, he would like to know what we think of it.

CLARK

761.93/8-2349 : Telegram

The Chargé in China (Clark) to the Secretary of State

SECRET

CANTON, August 23, 1949—5 p. m.

Cantel 1006. George Yeh, Acting Foreign Minister, asked me again today whether I had received Department's reaction Chinese suggestion, Cantel 970, August 17, bring Soviet breach Sino-Soviet Treaty before UN. He recalled that Wang Shih-chieh, then Foreign Minister, had discussed matter with General Marshall¹ in Paris last year and at that time Marshall had argued against taking matter before UN because of belief Chinese facts insufficient prove case.² Yeh thought recent Soviet trade agreement with Manchuria³ strengthened Chinese case, but he desires greatly have our opinion.

He feels confident Soviets would veto any action and believes it possible that they might act with "blitzkrieg" tactics and withdraw recognition China immediately information re proposed action reached them.

Yeh said Chinese Government had made three strong protests Soviet Union recent months:

- (1) Over Soviet trade agreement Manchuria;
- (2) Because disappearance Chinese Nationals [in] Soviet Union and;
- (3) Because of entry Soviet vessel port Dairen which Chinese Government closed foreign navigation.

CLARK

¹ General of the Army George C. Marshall, Secretary of State from January 1947 to January 1949.

² See memorandum of November 9, 1948, *Foreign Relations, 1948*, vol. VIII, p. 197.

³ See vol. IX, pp. 906 ff.

501.BB/8-1749: Telegram

*The Secretary of State to the United States Representative at the
United Nations (Austin)*¹

SECRET

WASHINGTON, August 24, 1949—8 p. m.

436. Urtel 938 Aug 17. Chi Govt has made similar approach to Min-Counselor Canton asking Dept's reaction. French Emb Washington has shown Dept copy tel from Chauvel reporting approach by Tsiang in which was set forth expected basis for Chi Govt appeal to UN re Soviet violations Sino-Soviet Treaty. Violations listed included Soviet denial Dairen as port entry Manchuria, Soviet stripping and removal Jap industry Manchuria, Soviet denial use railway to Chi Govt troops and Soviet action turning over Jap military materiel to Chi Commies. All these actions mentioned in China White Paper and Dept thus committed in sense support Chi Govt charges.

Question arises degree effectiveness presentation Chi Govt case before UN and possible result and consequences such action. Dept believes that pending more thorough study question and full knowledge nature and evidence case Chi Govt intends present to UN you shld confine ur reply to Tsiang to statement Dept sympathetic Chi Govt desire to put before GA position and assures support in principle but degree US support on particulars of case wld naturally depend upon extent to which Chi Govt cld develop effective case and Dept cld not commit itself to unqualified support without fuller knowledge nature and evidence Chi case.

One possible by-product Chi Govt appeal might well be Soviet demand Chi Commie representatives be heard by UNGA, thus enhancing Chi Commie prestige and international position. Propaganda advantages wld accrue US through opportunity publicize Soviet imperialist aims and special position Manchuria at expense Chi people and shld Chi Govt utilize UN action as basis abrogation Sino-Soviet Treaty onus wld lie on Chi Commies themselves for any concessions in Manchuria made to USSR.

Pls consult with Cadogan and Chauvel obtaining their views and those their Govts. This message rpted London and Paris for info.

ACHESON

¹ Repeated also by the Department to the Chargé in China in telegram Telcan 632, August 26, 5 p. m., "For urinfo and guidance in conversations with Acting FonMin." (761.93/8-1749)

501.BB/8-2449 : Telegram

*The Acting United States Representative of the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, August 24, 1949—8:07 p. m.

979. [Here follows report on conversation with the French representative in regard to matters before the United Nations General Assembly.]

6. Chinese item. Chauvel raised this question saying Tsiang had come to see him day following his call on us (remytel 938, August 17) and had informed Chauvel in confidence his instructions to propose, but not before opening of GA, for GA agenda question of violations of Sino-Soviet treaty. Chauvel said Tsiang had told him he had informed us; he assumed Tsiang had also informed Cadogan. According Chauvel's account, Tsiang apparently outlined case along same lines as with us.

Chauvel had reported to Paris but has not yet received instructions. He expressed personal view putting case on agenda this session of Assembly was like "yesterday's meat". He felt would have made much more sense put case on agenda year ago. Under present circumstances principal question was whether useful purpose would be served exposing Soviet tactics China. If so, one vehicle was as good as another and Tsiang's item would serve purpose. He said in any event Tsiang's instructions seemed categorical and there was nothing much we could do to prevent his taking action. Chauvel said not having instructions he did not know what views his Government would be; he thought they would probably wish to leave initiative to us.

In course his discussion Chauvel said Bonnet¹ had informed him he had talked with Department which Bonnet had reported as "not being enthusiastic". Bonnet informed Chauvel he understood Jessup² would be handling for Department.

[Here follow other items relating to the General Assembly agenda.]

Ross

¹ Henri Bonnet, French Ambassador in the United States.

² Philip C. Jessup, Ambassador at Large.

501.BB/8-2649

Memorandum of Conversation, by the Chief of the Division of Chinese Affairs (Sprouse)

SECRET

[WASHINGTON,] August 26 [25], 1949.

Mr. Tsui¹ called by appointment this afternoon and, explaining that he was doing so on instructions from the Chinese Ambassador,² asked if the Department had given any indication to the Embassy Office at Canton of its attitude toward the approach made by the Acting Minister for Foreign Affairs, Mr. George Yeh, regarding the Chinese plans for an appeal to the United Nations against Soviet violations of the Sino-Soviet Treaty.

I replied that the Foreign Office's approach in this regard had been reported to us, as well as a similar approach by Dr. T. F. Tsiang in New York. I continued that a reply had been sent to the United States Delegation to the United Nations for transmission to Dr. Tsiang. This reply, I explained, indicated that the Department was sympathetic to the Chinese Government's desire to place the matter before the General Assembly and assured its support in principle but stated that the degree of support on the details of the case would, of course, depend upon the extent to which the Chinese Government could develop an effective case. I added that until the Department had more complete knowledge of the nature and the evidence to support the Chinese Government's case, it could not commit itself to unqualified support.

Mr. Tsui said that this was completely understandable and that he personally, though not officially, doubted that concrete evidence could be produced to prove that the Soviets had furnished arms and ammunition to the Chinese Communists. He further stated that he feared that, if the Chinese Communists formed a national government on October 10 as seemed to be planned, one of the Soviet satellites might immediately raise the question of Chinese representation in the United Nations.

¹ Tswen-ling Tsui, Counselor of the Chinese Embassy.

² V. K. Wellington Koo.

761.93/8-2649

Memorandum of Conversation, by the Chief of the Division of Chinese Affairs (Sprouse)

SECRET

[WASHINGTON,] August 26, 1949.

Participants: Dr. V. K. Wellington Koo, Chinese Ambassador
Mr. Rusk, Deputy Under Secretary
Mr. Sprouse, CA

Ambassador Koo called today by appointment and devoted the entire conversation to the question of the proposed Chinese Government

appeal to the United Nations regarding Soviet violations of the Sino-Soviet Treaty of August 1945. He explained that no definite decision had yet been reached by the Chinese Government in this regard but that the decision would probably depend upon the attitude of the friendly powers, particularly the United States, and that he wished to ascertain the Department's views with respect to such an appeal. When he referred to the conversation of the previous day¹ between Mr. Tsui, Counselor of the Chinese Embassy, and Mr. Sprouse, the latter reviewed briefly the statements he had made to Mr. Tsui on this subject, indicating that these views had been communicated to the U.S. Delegation to the United Nations at New York for passing on to Dr. T. F. Tsiang.

Mr. Rusk explained that the statement, referred to by Mr. Sprouse and transmitted to New York, that the Department "assured its support in principle" was intended to mean that it could not assure one hundred percent support on all details of the case, pending fuller knowledge of the nature of the case and the supporting evidence. He further explained that there might be some points on which the Department would be in a position to give full support, provided that the Chinese Government's supporting evidence justified such a course, but that there might also be other points which the U.S. Government could not support.

Ambassador Koo pointed out that the Chinese Government was considering two possible courses of action: (1) An appeal to the Security Council charging that Soviet actions were a threat to the peace and (2) an appeal to the General Assembly regarding Soviet violations of the Sino-Soviet Treaty. Further discussion indicated that the Chinese Government would probably follow the second of these two courses in the event that it decided to present an appeal to the United Nations.

Mr. Rusk informed the Chinese Ambassador that the Department would be interested in obtaining more information regarding the Chinese case and explained that the Department had not yet had time to study the question in detail. When Ambassador Koo said that the Chinese Government was also approaching the British and French Governments with a view to ascertaining their views and suggested that the Department might wish to get in touch with those governments in this regard, Mr. Rusk said that the Department had not yet received any information regarding the views of the two governments named but that the Department would seek to obtain the British and French reactions to the question.

¹ *Supra.*

During the ensuing general conversation with respect to the nature of the Chinese charges and the possible complications that might result from a Chinese appeal to the United Nations, Mr. Rusk emphasized that it was extremely desirable to be aware of the possible pitfalls and of the ends to be sought from such action. In conclusion, Ambassador Koo said that he would continue to keep in touch with the Department in regard to this matter.

501.BB/8-2649 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, August 26, 1949—7:59 p. m.

1001. For Hickerson.¹ Deptel 436, August 24. In view of information contained herein, Tsiang's desire we hold information strict confidence which he repeated this morning, and risk premature disclosure, [it] seems best leave to your determination distribution this telegram in Department. Tsiang said he had discussed with Chauvel and Cadogan and mentioned to McNaughton,² but does not plan discuss with other delegations at least at this time.

1. I showed Cadogan and Chauvel copy Deptel 436 last night. Both have reported to their Governments Tsiang's approach to them. Neither has yet received instructions. Both expressed personal reaction Department's approach sound. Both emphasized importance working closely together, expressed appreciation our initiative consult with them, promised to inform us promptly on receipt instructions, requested we keep them informed developments.

2. I called on Tsiang this morning and gave him Department's reaction along lines last half second paragraph Department's reference telegram. He expressed appreciation our attitude, said he hoped we could work closely together. He went on to say this is question of China versus the Soviet Union, not the Chinese Nationalists versus the Chinese Communists.

3. With regard to nature and evidence of Chinese case he spoke first of evidence, referring to following specific points:

a. Dairen. He said National Government was guaranteed use of port under treaty. Soviets had vitiated guarantee by various obstructions. National Government consequently unable use port, forced to use other smaller, inadequate ports. Soviet obstruction in violation treaty

¹ John D. Hickerson, Assistant Secretary of State for United Nations Affairs.

² Lt. Gen. Andrew G. L. McNaughton, Permanent Canadian Representative to the United Nations.

very serious handicap to National Government in struggle against Communists. Tsiang seemed to think abundant evidence prove Chinese case this point.

b. Railways. Situation similar Dairen. No port of any use without railway connections hinterland. Soviet obstructionism in violation treaty effectively handicapped National Government in struggle against Communists. Seemed to feel in this case also evidence abundant.

c. Military aid to Communists. Tsiang said his government collecting evidence this point. Said he thought would be substantial. Although I did not ask him, he said he is not free indicate nature of this evidence at this time.

d. Mines and factories in Manchuria. Tsiang barely touched on this point, indicating case clear-cut.

e. Tsiang said "there may be other" cases of violation. They were looking into these.

4. Tsiang said he wanted to explain personally to me as friend in strict confidence their "ultimate objectives" in bringing case before Assembly. As general background Tsiang said within past year was strong sentiment within his Government to bring case to SC. He examined very carefully which article of Charter³ case might be brought under. Case warranted raising under Chapter VII of Charter but this would bring China up against veto, therefore impractical. To bring case under Chapter VI of Charter would be "too mild" a case not in keeping with circumstances. He ended up by being very skeptical about bringing case to SC and his Government decided not to. On other hand, if GA has anything at all to do with world peace it inescapably must deal with this question which is the most important one, if not in the whole world today, then certainly in Far East. In turn, if this case must be dealt with in Assembly then it should be China and no one else who should raise question.

5. Tsiang named following as specific objectives:

a. GA should find that Soviet Union has violated treaty.

b. GA should recommend that member states should abstain from recognizing Communist regime in China.

c. GA should recommend that member states should give moral and material aid to National Government.

6. Tsiang then went on to comment on these three objectives. He said he thought there should be no difficulty at all in getting Assembly agreement on first objective. He then asked me whether, speaking personally and between friends, I had any views on second and third. I told him that speaking quite frankly and honestly and without mental reservation I did not feel I knew enough about this whole situa-

³ United Nations Charter signed at San Francisco, June 26, 1945; Department of State Treaty Series (TS) 993, or 59 Stat. (pt. 2) 1031.

tion to warrant my having valid opinions; therefore, I had no views to express.

7. Tsiang then discussed at some length second objective. He said that although he is aware of developments in our recognition policy, that non-recognition has been a very important part of historic American policy in Far East. Tone and context his remark implied his expectation USG would be able support China in second objective.

8. He then mentioned British Commonwealth and discussed their possible attitude concerning this second objective. He mentioned large British investments, much larger than ours he said, which he could understand British would not want to throw over. He said British business had been able to keep going on large scale despite civil war. He mentioned by name 8 or 10 types of British business and industry which had managed to do business on very substantial scale even during Japanese occupation, observing that attitude of many British was that if they could do business under Japs they could do so under Communists. Foregoing, he said, was view British community China half year ago. Since then he feels there has been substantial change these views.

9. Tsiang went on to contrast local views with view of UK Government on basis overall world policy. This came up with immediate reference Hong Kong. National Government had gotten rid of all special rights and privileges foreigners in China with exception Hong Kong and Macao. Communists could not be less vigorous in eliminating foreign influence. They could not let Hong Kong as a liberal, constitutional, democratically governed area remain at their very doorstep. Furthermore, Hong Kong has historically been a center and a basis for revolutionary activity against governments China mainland and Communists could not tolerate its remaining in hands western imperialist power. Tsiang said 1 out of every 8 Chinese residents in Hong Kong is a Communist agent. Macao was virtually defenseless and would be over-ridden in matter of days.

10. Tsiang said similar considerations must be weighed by French Government, referring in this connection to Indo-China and Siam, saying there were 3 million Chinese residents in Siam including a very active Communist minority which was highly organized and "penetrative".

11. Implying that for reasons he stated, there should be no difficulty about Assembly's support for objective number 2, Tsiang said (I am not quite certain exact accuracy following quote but sense is accurate) "I am not so sure about Assembly's support objective number 3", and asked what I thought. I said it quite obvious to anyone who reads newspapers that question of material aid for National Government a matter of some domestic concern in this country. I added that when-

ever anyone raises question in Assembly of material aid in any connection, delegations tend to feel question is addressed to US but not to them.

Tsiang asked me to keep him posted on any new developments in our thinking and volunteered he would do likewise.

Does Department want me to discuss my conversation with Tsiang with Cadogan and Chauvel in order to keep them posted, or shall I wait until they receive instructions? French informed me today they do not expect receive instructions before Parodi ⁴ and Margerie ⁵ return to Paris about September 1. My advice would be we should wait a few days, particularly since Cadogan and Chauvel would want to know Department's reaction to Tsiang's comments.

Department will recall Smith ⁶ (Canada) raised question with me 2 days ago. I would advise delaying discussion with Canadians until after we have got at least initial reactions from British and French. I would also advise against taking this subject up in course of general GA preparatory discussions with British and Canadians on Tuesday ⁷ and Wednesday because premature and too many and not right people involved. I can handle this easily with Shone ⁸ and Smith.

Ross

⁴ Alexandre Parodi, Secretary-General of the French Foreign Office.

⁵ Jacquin de Margerie, Director of Political Affairs of the French Foreign Office.

⁶ Arnold C. Smith, Alternate Canadian Delegate to the United Nations General Assembly.

⁷ August 30.

⁸ Sir Terence Shone, British Delegate to the United Nations General Assembly.

501.BB/8-2749 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, August 27, 1949—6:26 p. m.

1006. [Here follows report of discussion with United Nations Secretary-General Trygve Lie regarding the General Assembly agenda.]

1. China. Lie volunteered the information that he understood through Assistant SyG Hoo ¹ that China was thinking of adding a GA item accusing Soviet Union of interference in Chinese affairs. Lie expressed very strong opinion that this should be prevented since no useful action could be taken. He understood that Tsiang had consulted Hoo regarding desirability and procedure for handling item. According to Hoo, Chinese want to bring accusation in order to give the world

¹ Victor Chit-sai Hoo, Assistant Secretary-General in charge of United Nations Department of Trusteeship Affairs.

background of the question and reduce the influence of US White Paper. It is in large part a move to present to American public opinion the Nationalist case. Lie said, in an effort to head this off, he had deliberately raised the matter in yesterday's meeting of the Assistant SyGs in order to let the Americans know through Price² and Cordier³ and let the Russians know through Zinchenko.⁴ He said he would do everything he could to dissuade Chinese from bringing matter before GA. We made no comment.

[Here follow details of the other agenda items.]

Ross

² Byron Price, Assistant Secretary-General in charge of United Nations Administrative and Financial Services.

³ Andrew W. Cordier, Executive Assistant to the United Nations Secretary-General.

⁴ Konstantin Zinchenko, Assistant Secretary-General in charge of United Nations Department of Security Council Affairs.

761.93/8-2949

Memorandum by Mr. Livingston T. Merchant, of the Office of Far Eastern Affairs, to the Chief of the Division of Chinese Affairs (Sprouse)

SECRET

[WASHINGTON,] August 29, 1949.

In connection with New York's 1001 of August 26 I agreed tonight with Jack Hickerson that he should authorize Jack Ross in New York to discuss with Cadogan and Chauvel his conversation with Tsiang relative to the latter's plans to raise in the UN the case for violation of the Sino-Soviet Treaty.

I also agreed with Mr. Hickerson that while Lie had been off-base in discussing this matter with his staff, Hickerson should not at this time on this issue call him to task.

501.BB/8-3049

*Memorandum Prepared in the Division of Chinese Affairs*¹

TOP SECRET

[WASHINGTON, August 30, 1949.]

Problem: Attitude toward the Chinese Government's Proposed Appeal to the United Nations regarding Soviet Violations of the Sino-Soviet Treaty.

¹ Forwarded by Mr. Merchant on August 31 to the Deputy Under Secretary of State (Rusk) for approval, "in view of the considerations of high policy"; copies transmitted to other interested officers of the Department.

Background: Through the United States Delegation to the United Nations at New York, the Minister-Counselor at Canton and the Department, the Chinese Government has recently sought to obtain an expression of the U. S. Government's attitude toward the Chinese Government's proposal to make an appeal to the United Nations regarding Soviet violations of the Sino-Soviet Treaty. The Chinese Government has indicated that its final decision in this regard would probably depend upon the attitude of the friendly powers, particularly the United States, and that it would probably appeal to the General Assembly on the grounds of Soviet violations of the Sino-Soviet Treaty of August 1945 rather than to the Security Council on the basis that Soviet actions constituted a threat to the peace. Dr. T. F. Tsiang, Chinese representative on the Security Council, has indicated in strict confidence to a member of the U.S. Delegation to the United Nations that the ultimate objectives of the Chinese Government in bringing the case before the United Nations were: (1) The General Assembly should find that the USSR has violated the treaty; (2) The General Assembly should recommend that member states abstain from recognizing the Chinese Communist regime; and (3) the General Assembly should recommend that member states give moral and material aid to the National Government.

The Chinese representatives have indicated that they have also approached the British and French Governments with a view to ascertaining their views on this subject.

One possible by-product of a Chinese Government appeal to the United Nations might be a Soviet demand that the Chinese Communists send representatives to be heard by the United Nations, thus enhancing the prestige and international position of the Chinese Communists. A Chinese appeal, accompanied by full publicity, would offer certain propaganda advantages through the opportunity afforded to air Soviet imperialist aims and the special Soviet position in Manchuria in impairment of Chinese sovereignty. On the other hand the Soviets could be expected to make whatever propaganda use they could in the course of debate. If the United Nations passed a resolution of censure against the USSR or took action which might serve as a basis for Chinese Government unilateral abrogation of the Sino-Soviet Treaty, the Chinese Communists would be faced with the necessity of negotiating a new treaty or else giving public sanction to the existing treaty, thus placing on them the onus for concessions in Manchuria to the USSR in impairment of Chinese sovereignty. This would have obvious propaganda advantages among the Chinese people in exposing Chinese Communist subservience to Russian imperialist aims in China.

In view of the Chinese objectives indicated above, it is believed that the U.S. Government should be cautious in its approach to this prob-

lem lest the Chinese Government utilize U.S. support for its appeal in such a manner that the U.S. might become committed to action contrary to its own interests or to action which, while advantageous to the Chinese Government, would serve the interests of the USSR and/or the Chinese Communists. Complete realization of the Chinese Government's objectives would appear to deprive the U.S. Government of freedom of action, and the essential advantage to be derived from a Chinese appeal to the United Nations would, from the standpoint of the United States, be solely that of a finding that the USSR has violated the Sino-Soviet Treaty.

Action Taken: The Department has informed the Chinese Ambassador, and has authorized the Minister-Counselor at Canton and the U.S. Delegation to the United Nations to inform the Chinese, that the Department was sympathetic to the Chinese Government's desire to appeal to the United Nations and assured its support in principle, but that the degree of U.S. support would naturally depend upon the extent to which the Chinese Government could develop an effective case and that the U.S. Government could not commit itself to unqualified support without more complete knowledge of the nature and supporting evidence of the Chinese Government's case. The Department has also instructed the U.S. Delegation to the United Nations to ascertain the views of the British and French Governments to the proposed Chinese appeal.

Recommendations: It is recommended that:

(a) The British Government be informed of the Department's views regarding the proposed Chinese appeal to the United Nations;

(b) The views of the British Government on this question be obtained;

(c) Efforts be made to obtain British agreement to support the Chinese appeal to the United Nations, but only to the extent necessary to throw the full light of publicity on Soviet actions, care being taken not to commit the U.S. Government to support of the Chinese case in such a way that Chinese aims would be served but not those of the United States.

501.BB/8-3049: Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, August 30, 1949—3 p. m.

1019. Eyes only for UNA Sanders¹ and distribution only on Sanders' direction. At his request I called on Cadogan this noon. He read me his instructions on China item for GA. Very brief telegram

¹ William Sanders of the Office of United Nations Affairs. Sanders was in effect acting as Deputy Director of the Office of United Nations Affairs at this time although he was never formally so designated.

from Foreign Office read roughly as follows: It was hard to see what useful purpose would be served by putting item on agenda; what Chinese Nationalist Government hoped to gain. Would lead to interminable acrimonious debate with copious quotation from American White Paper. There was serious risk question of recognizing a Chinese Communist Government would arise. In view foregoing, Cadogan should tell Tsiang [that] UKG did not see what advantage would be gained by putting item on agenda.

Having seen Deptel 436, August 24, Cadogan had not yet acted on his instructions. I let Cadogan read this telegram again. I also read to him essential portions mytel 1001, August 26. Cadogan took notes statement I have made to Tsiang as authorized second paragraph Deptel 436. Said he would cable London indicating what I had told Tsiang and view expressed by Tsiang and recommending he accommodate what he tells Tsiang to our position.

I mentioned Koo had been in Department and had seemed somewhat less definite than Tsiang about putting item on agenda. Cadogan observed this was characteristic of Koo who, he said, he had no doubt would take advantage of any opportunity to "nip onto" Chinese Communist bandwagon.

I told Cadogan I had no reaction to my report of Tsiang's conversation. On his request whether I had any information as to who was informed other than Chauvel, Cadogan and ourselves, I told him Tsiang said he had mentioned to McNaughton; I also gave him in confidence information that Lie had mentioned matter in his ASyG meeting after Tsiang had apparently discussed it with Victor Hoo.²

Ross

² Notation by Livingston T. Merchant, of the Office of Far Eastern Affairs, to the Chief of the Division of Chinese Affairs (Sprouse): "Since I assume we are not overly enthusiastic over Chinese raising issue or prospects their competence in presenting it but felt White Paper more or less committed us to some degree of support if they raised issue, I suggest we urgently instruct Ross to say so to Cadogan and let him go ahead with his bucket of cold water. But will have to get the word to N[ew] Y[ork] fast if you and UNP [Office of United Nations Political Affairs] agree. LTM. 8/31 11 a. m."

761.93/8-3049: Telegram

The Chargé in China (Strong) to the Secretary of State

SECRET

CANTON, August 30, 1949—9 p. m.

Cantel 1052. Today communicated substance Telcan 632, August 26,¹ to Foreign Office. Believe Chinese Government interested in providing details of its case. Suggested to Foreign Office that any

¹ See footnote 1, p. 147.

further communication on subject be delivered at as early date as possible in view undoubted preoccupation of Department with wide range of matters connected with GA.

STRONG

501.BB/8-3149 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

LONDON, August 31, 1949—1 p. m.

3478. Deptel 3047 August 24, 8 p. m.,¹ re Chinese proposal introduce Sino-Soviet treaty questions in GA. Embassy officer had informal discussion Denning² this matter. Denning stated Foreign Office questioned what concrete results Chinese expected to flow from such move. Debate in GA would not restore Chinese rights Manchuria. Therefore Foreign Office did not agree to support or not to support Chinese proposal. Denning, however, agreed debate GA would provide western powers with opportunity for propaganda vs Soviet imperialism.

HOLMES

¹ It repeated telegram 436, p. 147.

² Maberly E. Denning, British Assistant Under Secretary of State for Foreign Affairs (Far East).

501.BB/8-3149

Memorandum by the Chief of the Division of Eastern European Affairs (Reinhardt) to Mr. Livingston T. Merchant, of the Office of Far Eastern Affairs

TOP SECRET

[WASHINGTON,] August 31, 1949.

EE¹ concurs with the position taken in the draft position paper² transmitted with your memorandum of August 31³ on the proposed Chinese appeal to the United Nations regarding Soviet violations of the Sino-Soviet treaty.

It is recommended that particular attention be given to the desirable results which might be attained as a result of the Chinese approach to the UN in making the position of the Chinese Communists, with regard to the Sino-Soviet treaty, uncomfortable, if an appropriate basis can be developed for abrogating it. EE does not believe that undue emphasis should be placed upon the possibility that the

¹ Division of Eastern European Affairs.

² August 30, p. 155.

³ See footnote 1, p. 155.

Soviets may suggest inviting Chinese Communists to appear before the UN as long as the Chinese Government's action in the UN relates to violations and possible abrogation of the Sino-Soviet treaty.

F. REINHARDT

501.BB/8-3149

Memorandum by the Ambassador at Large (Jessup) ¹

SECRET

[WASHINGTON,] August 31, 1949.

Attached is a draft of a proposed UNGA Resolution on the Chinese situation which follows the pattern of the Washington Treaty of 1922 on China.² This is the step proposed in paragraph 3 of my memorandum of August 29th to the Secretary listing a series of suggested measures in regard to the Far East.³ The draft resolution repeats the substance of each of the subparagraphs of Article 1 of the Washington Treaty as it was felt that the omission of any one of them, even though it might not be completely appropriate to the present situation, might give rise to criticism. There is also attached for purpose of comparison a copy of Article 1 of the Washington Treaty.³ Any comments you may wish to make will be appreciated.

PHILIP C. JESSUP

[Annex]

Draft Prepared by Mr. Charles W. Yost, Special Assistant to the Ambassador at Large (Jessup)

SECRET

[WASHINGTON,] August 30, 1949.

UNGA RESOLUTION

The members of the United Nations agree that they will not take advantage of the present disturbed conditions in China

1. to infringe the sovereignty, the independence or the territorial and administrative integrity of China and, specifically;
2. to detach, seek to detach or recognize the detachment from the sovereignty of China of any territories which have been recognized by international treaty as falling under that sovereignty; or
3. to create, or to become a party to any undertakings creating spheres of influence or special regimes or administrations within the territory of China;

¹ Addressed to the Deputy Under Secretary of State (Rusk), the Consultants on the Far East (Fosdick and Case), the Chief of the Division of Chinese Affairs (Sprouse), the Acting Director of United Nations Affairs (Sanders), and the Director of the Policy Planning Staff (Kennan).

² Signed February 6, 1922; *Foreign Relations*, 1922, vol. I, p. 276.

³ Attachment not printed.

4. to restrict the opportunity of the Chinese people to develop and maintain a stable and effective government responsive to their wishes and independent of foreign control;

5. to seek special rights or privileges in China or parts of China, particularly in regard to trade and the use of ports and railways, which are not accorded to all other members of the United Nations; or

6. to take action, or become a party to undertakings, infringing the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.

The members of the United Nations, moreover, solemnly call upon the Government of China and upon each and every regime or administration exercising political authority within any part of the territory of China to refrain from any action directed against any of China's neighbors which might constitute a threat to or a breach of the peace and hence involve a violation of the United Nations Charter. Should any such action occur in spite of this admonition the United Nations will take immediate action in the premises in accordance with the terms of its Charter.

501.BB/8-3149 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, August 31, 1949—7:22 p. m.

1027. For Sanders, UNA. At his request, I called on McNaughton this afternoon and discussed proposed Chinese GA item fully on basis Deptel 436, August 24 and mytel 1001, August 26. John Holmes,¹ who is down from Ottawa for general GA talks with Canadians and British, and Arnold Smith were with McNaughton. They were without instructions, hence were speaking personally, and Department of External Affairs has reached no conclusions. Holmes said, however, that departmental committee has been studying Chinese policy for some time and he felt reasonably sure views they expressed this afternoon were in line with thinking this committee.

Following is, I think, fair summary of views they expressed:

1. They assumed inevitable that item would be put on agenda.
2. They regretted this since it impaired our flexibility and crowded us time-wise. (McNaughton said he had hoped Jessup committee² studies would provide us with opportunity thorough examination whole situation before we were forced to make decisions.)

¹ Acting Head of United Nations Division of Canadian Department of External Affairs.

² For appointment of Raymond B. Fosdick and Everett Case to this group on July 30, see Department of State *Bulletin*, August 22, 1949, p. 279.

3. We could not, with self-respect, attempt to dissuade Tsiang from putting item on agenda or refrain from positively and firmly supporting inclusion on agenda when question arises. We could not with self-respect refrain from supporting Tsiang's first objective, namely, GA finding Soviet Union guilty of treaty violation.

4. They would be very reluctant to support Tsiang's second and third objectives, namely, nonrecognition of Communist regime and moral and material aid to Nationalist Government. (Smith raised question whether we might possibly attempt dissuade Tsiang from attempting to pursue these two objectives on self-interest grounds, that he would run serious risk not getting necessary Assembly support and thereby damaging position Nationalist Government.)

General tone their reactions indicated by expressions McNaughton used such as in effect "We must not be cat's-paw for Chiang Kai-shek³ and let him play all of us for suckers": "We must not lean on a house of sand (Nationalist Government)"; "Will Chinese delegation at GA be a mere facade with nothing underneath?" On last point, McNaughton referred to impression he had members Chinese delegation here actively making other plans and Smith inquired if I could confirm information he had received that T. V. Soong⁴ had deposited couple billion dollars in gold in US.

McNaughton felt Nationalist Government had everything to gain and nothing to lose in bringing up item. He and his associates seemed very reluctant to get pinned down by any GA action concerning recognition of Communist regime which would hamper our ability to deal in future effectively with that regime on any basis we might choose to fit our policies. They seem to have impression that Communist regime is not under Soviet domination. We should not drive them, as McNaughton put it, into arms of Soviets. Even if this regime were under domination of Soviets, our objective should be to split them away. Therefore, we should retain free hand in dealing with them. To extent personal views expressed by them today may turn out to reflect official Canadian opinion, I should judge Tsiang would have very difficult job getting their support for his objective number two. I think I detected at least slight undercurrent of opinion which was not at all explicit in favor recognition of Communist regime at some point.

There was very little discussion of Tsiang's third objective concerning moral and material aid to Nationalist Government. McNaughton indicated awareness difficulties our own situation; it is my impression

³ President of the Republic of China until his retirement on January 21, 1949, in favor of Vice President Li Tsung-jen as Acting President; Generalissimo Chiang was leader of the Kuomintang (Nationalist Party).

⁴ Former President of the Chinese Executive Yuan; brother of Mesdames H. H. Kung, Sun Yat-sen, and Chiang Kai-shek.

they were about as strongly opposed to this point as to non-recognition point.

Making clear I was not expressing views of Department or, so far as I knew, anyone in Department, I raised question nature leadership Western powers might give to peripheral states such as India, Burma, Siam, which will be in very difficult position regarding this question in GA. McNaughton emphatically thought we must be in position give them strong positive leadership and not let Soviet Union carry the ball. In this connection we agreed, for example, there is risk that if Russians are smart, having been forewarned indirectly by Lie, they will see to it that delegation of Communist Government presents itself to Assembly, thus getting debate whole question on ground of recognition or nonrecognition which would be more favorable to Soviet position than question violation treaty. McNaughton wondered whether we could not develop strategy slanting whole case in GA against Soviet Union and avoid taking sides for or against either Nationalists or Communists. Assuming hypothetically that Western Powers might agree to support first Chinese objective, but not second and third, we discussed very briefly question whether we could develop positive alternative law [to?] two objectives but no bright ideas emerged.

McNaughton was very appreciative my call, promised to let us know soon as he heard anything from Ottawa and asked that we keep him posted. He urged earliest consultations also with other delegations, mentioning particularly India. I agreed desirable but reminded him injunction confidence laid down by Tsiang, adding I thought we should tell Tsiang, soon as we know direction our policy, we felt obliged to consult at least certain other delegations reasonably soon.

Ross

501.BB/9-149 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, September 1, 1949—3:21 p. m.

1029. For Sanders, UNA. Tsiang and Chauvel spoke to me separately this morning regarding proposed China item at GA at meeting in Cadogan's office on different subject.

In reply to question by Tsiang, I told him I had not yet received any comments from Department on three objectives he mentioned to me (Usun 1001, August 26). He said he would appreciate knowing Department's views on these three points as soon as feasible.

Chauvel said he had received telegram from Paris indicating his government "not very warm" towards Tsiang's proposal and expressing view he should be discouraged from proposing item. I made appointment to see Chauvel tomorrow morning to get further details.

Ross

501.BB/9-249

Memorandum by the Director of the Policy Planning Staff (Kennan)

TOP SECRET

[WASHINGTON,] September 2, 1949.

This paper¹ in its present form is wholly inadequate. It seems to the Planning Staff that it is the height of folly to give assurances to the Chinese Government of our support, even in principle, to their proposed appeal to the United Nations without fully assuring ourselves in advance of the case they will make. This is particularly true in the light of the fact that they appear to wish to have the General Assembly recommend (1) that member states abstain from recognizing the Chinese Communist regime and (2) that member states give moral and material aid to the Nationalist Government. These anticipated steps not only, as the paper says, "raise serious questions", but they would start us on a most inadvisable course in the General Assembly. Furthermore, this proposed appeal by the Chinese Government would give the Soviets a field day in the Assembly for propaganda on American intervention in China. It holds every likelihood of ending up in a fiasco.

I understand that UNP and CA now agree that this paper is unsatisfactory.

GEORGE F. KENNAN

¹ August 30, p. 155.

501.BB/9-149 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Ross)

SECRET

WASHINGTON, September 2, 1949—7 p. m.

453. Following are Dept's comments on three objectives of Chinese case as stated by Tsiang which raise doubts as to advisability of presenting it:

(1) Believe GA finding of Soviet violation of treaty is possible of attainment, but would depend on nature of evidence presented. However, you should point out that case would be weakened (a) if it were necessary to rely principally on violations which occurred some time

ago; (b) if case rested on provisions of treaty open to differing interpretations. (We have in mind, e.g., possible argument that in absence Jap peace treaty, the "peace time" provisions for excluding Dairen from P[or]t Arthur Base regulations not yet applicable.) (c) if Soviets could show that alleged violations arose as result of inability of Nationalists to carry out treaty or if they were able present strong counter-charge of Nationalist violations. This last factor would have particular bearing on usefulness of finding of Soviet violation as justification for Chinese unilateral abrogation of treaty.

(2) Dept seriously questions second objective on following grounds: (a) Soviet violation of treaty is unrelated to any recommendation that Members not recognize communists; (b) recommendation would deprive Members of future freedom of action and would probably be resisted on that ground; (c) recommendation would probably be rejected by GA with consequent harm to Nationalist cause; (d) believe in general inappropriate for GA to recommend recognition or non-recognition in specific cases.

(3) Recommendation that Members give moral and material aid to Nationalists seems inappropriate since also appears unrelated to Soviet violations of treaty and rejection would also harm Nationalist cause. It might be appropriate for GA to recommend that Members refrain from aiding communists (similar to Greek case) provided recent substantial Soviet aid could be proved. For your info Dept considers such proof extremely doubtful.

(4) Suggest you also mention possibility that Chinese communists (or USSR on their behalf) might request to be heard by GA in connection with case and that if charges directly involved Communists (such as their receipt of Soviet aid) sentiment might well develop for granting request.

ACHESON

501.BB/8-3049: Telegram

*The Secretary of State to the Acting United States Representative
at the United Nations (Ross)*

SECRET

WASHINGTON, September 2, 1949—7 p. m.

454. Urtel 1019 Aug 30. You should again approach Cadogan and give him fol background Dept's thinking re Chi Govt proposed appeal to UN:

When Chi Govt broached matter, Dept of opinion in view friendly relations and US support Chi Govt over period years we could not refuse assurance conditional support. Dept had in mind circumstance China White Paper in sense committed US some degree support if

Chi raised issue in UN. At same time Dept considered undesirable and unwise give assurances full support prior to full knowledge Chi Govt case and nature supporting evidence. Further consideration possibility Chi appeal offers advantages to USSR from propaganda standpoint and might end in Soviet request Chi Comms be heard before UN. Dept also considered no certainty Chi could develop case which would stand up from legal aspect nor did it feel confident Chi Govt could present case effectively. As was true last year when Chi approached Sec Marshall at Paris re possible Chi Govt appeal to UN re Soviet actions aid Chi Comms, Dept feels decision properly one for Chi Govt to make. Chi Govt objectives as recently revealed by Tsiang raise doubts regarding extent to which US support shld or wld go. If objective confined to finding Soviet violations treaty, wld appear, if realized, offer possible advantages to US, both from propaganda standpoint and possible basis for Chi abrogation Sino-Soviet Treaty. To go beyond this objective and seek GA resolutions re non-recognition Comm regime and re moral and material support Nat Govt appears inappropriate and unrelated to Soviet treaty violations, and might restrict freedom future US course of action.

In light foregoing, you shld inform Cadogan US Govt no comment to make on Brit FonOff tel mentioned reftel.

ACHESON

501.BB/9-249 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

SECRET

NEW YORK, September 2, 1949—10 : 45 p. m.

1043. Hickerson eyes only. Distribution only on Hickerson's direction. During call on Chauvel late this afternoon, he read me short telegram from Foreign Office in response to his report on indication I had given him our line proposed China item GA, as set forth in Deptel 436, August 24.

Foreign Office lukewarm, if not cold, to idea. Felt "most inadvisable" for Chinese raise question and that Tsiang might not do so if he felt satisfactory result not certain in GA. Foreign Office observed this is Chiang Kai-shek idea and in line his policy increase tension between US and USSR.

I gave Chauvel full account my conversation with Tsiang August 26 (mytel 1001) and told him I had discussed with Cadogan and McNaughton.

Chauvel told me he had discussed with Cadogan last night. Cadogan, apparently somewhat cautious with Chauvel, had said he had received

brief telegram from London which was "reserved", and he had telegraphed London asking clarification, to which no reply as yet received.

Chauvel said Tsiang had approached him again yesterday but he had been evasive with Tsiang, had not indicated views he had received from Foreign Office, preferred to wait few days before talking with Tsiang, hoping to take into account any views Cadogan gets and Department's comments on Tsiang's objectives. He promised to keep me informed and hoped I would do same.

Ross

501.BB/9-349 : Telegram

The Chargé in China (Strong) to the Secretary of State

SECRET

CANTON, September 3, 1949—4 p. m.

Cantel 1063. Reference Cantel 1052, August 30. Acting Foreign Minister today stated Chinese Government planning place following charges against Soviet Union on GA agenda:

1. Aiding and abetting Communist armed revolt against Chinese Government.
2. Obstructing China's intent to restore her sovereignty over Manchuria (including Dairen question and stripping of industries by Soviets).
3. Total disregard independence Outer Mongolia and instigation puppet government to violate China's frontier.

Above charges are considered by Chinese Government to involve indirect or clandestine aggression [on] part Soviets against China in contravention UN charter well as Sino-Soviet treaty of 1945, thus giving rise to situation threatening peace of world in general and Far East in particular.

Chinese Government plans propose recommendations to following effect be adopted by GA:

1. USSR be condemned as an aggressor and warned not to continue its policy of aggression;
2. All UN members be called upon to afford China such moral support and material aid as they may see fit during her struggle against external aggression under the cloak of an internal rebellion.
3. Members of UN refrain from extending recognition, *de facto* or *de jure*, to a Communist regime in China which owes its temporary military successes to a foreign power and which will remain subservient to interests of that power;
4. GA should request that China continue report developments of this aggression; that [is], GA should remain seized of the problem.

Chinese Government seeks full cooperation and support of US as being vital importance.

Acting Foreign Minister gave following reasons for presenting case this time:

Several times in past Chinese Government hinted to US that it would bring up case but heretofore it has not considered time ripe. It has been hoping that Communist problem could be solved by political means and that Soviet Government might be brought to observe terms Sino-Soviet treaty but now Soviet intentions are plain as indicated by its commercial treaty with so-called Manchuria and Democratic authorities against which Chinese Government protested. Also recent statements by Communist leaders admit most openly that they have been supported morally and materially by the Soviet Union and that the USSR is their one and only ally. Therefore it is now time to charge Soviets as aggressors and establish fact civil war is an international war and may be part of plan Third Internationale to Communize all Asia.

Ambassador Koo has been instructed communicate foregoing to Department and keep Department informed further details concerning case.

Chief delegate Tsiang Ting-fu will keep US chief delegate informed all supporting evidence that Chinese Government intends present. Evidence will include documents, photographs, statements by Communist leaders and specimens captured arms from front. Chinese delegation is being instructed exercise discretion in using only such evidence as can be supported by majority members, particularly by US. Chinese Government will not use evidence which will embarrass US Government.

Chinese Government intends bring up case as emergency matter after provisional agenda adopted by GA in order to prevent giving Soviets time to prepare. Among documents exhibited to GA will be publications from official Communist organs dealing with ideological aspects, rebellion and statements by Communist leaders appearing chiefly Hong Kong publications *Hwa Shan Wen Hui* and *Ta Kung*.

Chinese Government will be most grateful if Department could in any way strengthen Chinese case by supplying it with confidential evidence or information not possession Chinese Government.

Acting Foreign Minister desires Department's reaction foregoing. States case will not be put on agenda until evidence thoroughly examined and solid case built. His main goals are moral condemnation of Soviet Union and agreement at least $\frac{2}{3}$ rds GA members not recognized [*to recognize?*] Communists.

He gave following as reasons for avoiding presentation case to Security Council:

1. Veto.
2. A commission of inquiry would not be allowed enter Communist territory.

3. If case taken to International Court, Soviet would not accept compulsory jurisdiction.
4. Soviet might invite members Chinese Communist Party to have their say.
5. Wish to avoid fomenting American Communists and utilizing occasion for propaganda purposes.

STRONG

501.BB/9-649 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

SECRET

NEW YORK, September 6, 1949—11:19 p. m.

1060. Hickerson from Ross. I called on Tsiang, Cadogan, McNaughton and Chauvel this afternoon in that order (reDeptels 453 and 454, September 2) and discussed proposed China GA item on basis reftels, as follows:

Tsiang. I read Deptel 453 to Tsiang with minor appropriate variations. With regard to last two sentences of numbered paragraph 3, I mentioned possibility of recommendation that members refrain from aiding Communists as in Greek case, indicating, however, that this was one idea which had occurred to Department and I was not at all sure Department would necessarily consider this as advisable. I then added in personal way that it would seem essential to prove there has been recent substantial Soviet aid and that there might, of course, be some question whether this could be proved.

Tsiang then commented as follows: He first repeated what he has told us before about importance of this question, describing it as biggest event since Japanese surrender and observing that GA and [of?] UN, which was supposed to have something to do with peace and security, could not close its eyes to this event. He then went on that Chinese Government has resisted bringing this case to UN on ground, first, that countries which wanted to help China would do so and those which did not want to help China would not do so regardless of any UN action. Furthermore, in the nature of the case proof was not complete; positive, absolute proof was impossible.

His Government had asked his advice (he implied very recently) about bringing case to UN. He had refrained from indicating any personal opinion as to whether case should or should not be brought. He advised, however, that if it were decided to bring case to UN it should be brought to GA and not to SC. Second, he advised that before any final decisions were reached he should consult influential members of UN. He went on to say that he had not heard anything from anyone except US before this morning when Cadogan told him that it was most likely that UK would go along with objective number 1

but could not make any promises with regard to objectives number 2 and 3 (Cadogan later confirmed this). Meanwhile, Tsiang said, Chinese cabinet had decided last week that they should go ahead and put case on GA agenda.

This last bit of information indicates considerably more fluidity in Chinese position than seemed to be the case. Tsiang previously definitely stated to us as well as to Cadogan, Chauvel and McNaughton that he had been instructed by his Government to propose case for GA agenda and he left strong impression with all of us that there was no question about it.

Tsiang then shifted his ground substantially with regard to 3 objectives (Cadogan indicated later Tsiang had taken same line with him). Tsiang said he was afraid he had not made clear what he had in mind with regard to second objective concerning nonrecognition of Communists. He said he had this in mind as an indirect objective which he had not intended to present formally. By indirect objective, he went on, he meant that if Assembly accepted recommendation of moral and material aid to Nationalist Government it would follow more or less automatically and logically that member governments would withhold recognition from Communists. Tsiang added in this context that he liked idea of Assembly recommending that members refrain from aiding Communists.

This was very definite shift in Tsiang's emphasis on their objectives which he originally put up to me exactly as I reported in mytel 1001, August 26. Only explanation of this shift which occurs to me is that Tsiang on reflection, or possibly on basis of attitude reflected by Cadogan, Chauvel and McNaughton, reached conclusion his chances with objective number 2 were very slight while he might have a better chance with objective number 3.

Tsiang then went on to long general discourse about affairs in China and his role, summarized as follows for what it may be worth to Department: He said he had carefully read White Paper and he felt people working on problem of China in State Department underestimated contribution which Generalissimo might make and his influence, and they overestimated influence of liberals. He said it was very clear that Chinese people should have a "new deal". He said we should not lose sight of pre-war accomplishments of Nationalist Government, referring in this connection to cotton (with help of American and Chinese scientists China had become self-sufficient by 1937); rice (Nationalist Government against great odds had achieved 12 percent increase in productivity); irrigation (in northwest of China); health (no epidemic during Japanese occupation and civil war). He then somewhat inconsistently talked about role of liberals and their importance. He said that great moral weakness of Kuomintang was that

the early ministers were very young people who had grown up in office without providing any opportunity for younger people to achieve office and positions of responsibility. He said the Kuomintang revolutionaries in late twenties had tended to constitute an exclusive club which had lost touch with the people. There was very great need for fresh blood and younger people in government and some way must be found to bring about cooperation between liberals and Generalissimo. He said there were large numbers of younger people in China who had been out of office and who were very independent-minded and could form the nucleus of a coalition government in which liberals might hold majority or plurality. Drawing on his own experience, Tsiang spoke at some length of having recruited a lot of these people to assist him when he was director of 650 million dollar UNRRA relief program in China.

I was rather impressed by Tsiang's sincerity in the intellectual effort he is apparently making to try to find what he termed "a positive solution". I felt, however, that he was not getting very far very fast. To the extent that he has any influence with the "liberals" in China he might be useful if given proper guidance.

I asked Tsiang if he had worked out any precise formulation of the item his Government was thinking of presenting. He dictated the following: "The question of Soviet violations of the Sino-Soviet treaty of friendship and alliance of 1945 and the resultant threat to the political independence and territorial integrity of China and the peace of the Far East". I made no comment.

I told Tsiang that we had respected his confidence and shared his view that premature publicity would be disadvantageous. I told him that since he had mentioned discussing matter with Cadogan, Chauvel and McNaughton, I had discussed matter with them but that we have carefully refrained from discussing it with others. I added, however, that depending on circumstances and in particular whatever decision his Government finally reaches, assuming that his intention remains to defer action until opening of Assembly, we might feel it necessary to consult certain other delegations. I asked him if he had any plans in this regard himself. He mentioned India, saying that he understood Sir Benegal Rau¹ might be here late this week. He said he had also been thinking of Australia. On one hand he did not want to offend Evatt² by not taking him into his confidence. On other hand, he implied that he could not see much useful result from discussion with Australians.

¹ Indian Delegate to United Nations General Assembly.

² H. V. Evatt, Australian Deputy Prime Minister and Representative in the United Nations Trusteeship Council.

As our interview concluded Tsiang remarked that he thought objectives which his Government would seek would be a finding of Soviet violations of treaty and recommendation that member governments refrain from aiding communists. This comment also indicated to me more fluidity in Chinese position than seemed apparent earlier; it also indicated that Tsiang has quite broad discretion.

In course of our conversation Tsiang said he had received this morning telegram from his Foreign Ministry indicating he would be head of Chinese delegation to GA and that following would be associated with him:

(1) Liu (Sze-hsun), representative on TC, formerly Vice Minister of Foreign Affairs and Ambassador to Canada; (2) Kan (Chieh-hou), adviser to Acting President Li and now in Washington; (3) Chen (Tien-fan), Chairman of Foreign Relations Committee of the Legislative Yuan; (4) Chang (Dr. P. C.), representative on ECOSOC.

Cadogan. I read to Cadogan both reftels and gave him gist of my conversation with Tsiang. In addition to information indicated above I gathered that UK present view coincides very closely with ours as set forth in Deptel 454. In light of degree of fluidity in Chinese position indicated by my conversation with Tsiang, question of whether any effort should be made to dissuade Chinese came up. I ventured opinion that since Department feels decision properly one for Chinese Government to make it would seem to follow that we do not feel that any effort should be made to dissuade Tsiang from putting item on agenda. Cadogan said he felt this would be view his Government.

I should appreciate it if Department would confirm whether my assumption with regard to last point is correct. In view of coolness reflected by Cadogan, Chauvel and McNaughton, I think there is better than even chance we could persuade those 3 Governments to join us in attempting to dissuade Tsiang from putting item on agenda. There is bare chance that if our 4 Governments were agreed to take parallel action in this regard on ground that Nationalist Government stood to lose more than it could gain, Tsiang might be persuaded to advise his Government against putting item on agenda. Such course would, however, risk considerable embarrassment for us and would run counter to position Marshall took last fall that Chinese Government would have to make own decision.

Cadogan raised 2 points on which I said I would try to get further clarification. First, he was puzzled by our concern re possibility Soviets would request Chinese Communists be heard by UN. He thought precedents would not particularly support this since he did not recall case wherein GA had heard people in revolt against a duly constituted government. Second, Cadogan wondered what Department had in mind concerning usefulness of finding of Soviet violation as justifica-

tion for Chinese unilateral abrogation of treaty. He did not quite see the bearing of one on the other and he wondered where Chinese unilateral abrogation of treaty would lead us.

McNaughton and Chauvel. I read reftel 453 and gave gist talk with Tsiang. Neither had new comment except that McNaughton also raised question of treaty abrogation. Both expect Tsiang will approach them again tomorrow. Neither has instructions. McNaughton will be evasive. Chauvel will be evasive and cool to whole idea. [Ross.]

AUSTIN

501.BB/9-749

*Memorandum by the Ambassador at Large (Jessup) to the Deputy
Under Secretary of State (Rusk)*

TOP SECRET

[WASHINGTON,] September 7, 1949.

The plan of the Chinese National Government to bring before the General Assembly their case against the Soviet Union at present takes a form which the Department cannot support. The Chinese propose to raise the breach of the Sino-Soviet Treaty of 1945 and further to ask the General Assembly to adopt resolutions against recognition of the Chinese Communists and in favor of further aid to the National Government.

On the practical side, it is very unlikely that the necessary majority in the General Assembly would vote for the latter two Chinese proposals. On the political side, the United States should not become involved in this type of support for the National Government. The question is whether any modification of the Chinese submission would be advantageous. The Department is generally committed to supporting the Chinese submission of their problem subject to the major reservation that we have refused to commit ourselves in advance on detailed proposals until we know the exact nature and strength of the Chinese case.

It is believed that, if the Chinese case is developed along the following lines, there would be definite advantages outweighing the disadvantages:

1. The Chinese should be persuaded to make as their initial submission to the General Assembly the question of Soviet violations of the Sino-Soviet Treaty of 1945 and accompanying agreements and understandings. The focus should definitely be on Manchuria. The Chinese might state in the presentation of their case that they believed that these violations by the Soviet Union justified them in denouncing the Treaty. They would further state that they were however willing to have the legal question of the breach of the Treaty submitted to any judicial consideration agreeable to the Soviet Union, for instance to

the Permanent Court or to a special committee of jurists. If the Russians refused to consent to any such submission, the Chinese might ask the Assembly to request the International Court for an advisory opinion. If the Chinese Government was eventually in a position to denounce the Treaty, the Chinese Communists would have to carry the onus of restoring special Russian rights in Manchuria.

2. After the submission of the Chinese case, the United States should be prepared to argue along the following lines:

a. The United States has always believed that any state is free to bring a matter of this kind before the General Assembly.

b. Before considering the merits of the Chinese case, the United States feels that, in view of the disturbed conditions in China and other countries of the Far East, it would be appropriate for the General Assembly to adopt a resolution reaffirming the principle of the "Open Door".¹ We would submit a resolution which would utilize the concepts of the Nine Power Washington Treaty of 1922 including the principle that states should not take advantage of disturbed internal conditions to impair the territorial integrity of China or other countries. Appropriate reference to Korea could be included. The implications for Southeast Asia should be made clear. The resolution should be carefully drafted to include condemnation of any kind of special arrangements such as the Russians are making with local regimes in Manchuria, Sinkiang, and Inner Mongolia. If the Russians agreed to such a resolution, it would still be advantageous to have it adopted. If it were adopted over Soviet opposition, our general position would be strengthened. The focus should be kept constantly upon the Russian attempt to split Manchuria from China.

c. It may be assumed that the Soviets would counter by attacking alleged United States intervention in Chinese internal affairs and alleged United States designs upon Formosa. The first of such charges should be answered on the basis of the traditional right to assist a government at its request to put down local revolt. Presumably this line would appeal to the Latin Americans and to the states of Southeast Asia. In regard to Formosa, we should explore with Tsiang, the Chinese Representative at the United Nations, the possibility that the Chinese at this point would propose that the UN send a commission to Formosa to safeguard its integrity and ultimate disposition. They would point out that, while they maintain their claim to Formosa which was recognized by the Cairo Declaration,² they acknowledge its exact legal status rests upon the conclusion of the peace treaty with Japan. If the Chinese made such a proposal, the United States would support it strongly in order to disprove the allegation that we were seeking to take over Formosa for ourselves. We might advantageously suggest that the Soviet Union should be a member of the UN Commission for Formosa. The Soviet Union, if it followed the precedent of the Balkan Commission and the Korean

¹ For the Open Door "Notes" of 1899, see *Foreign Relations*, 1899, pp. 128-143.

² For White House release on December 1, 1943, of Cairo communiqué, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943, p. 448.

Commission, would decline to take its seat. The presence of a UN commission in Formosa might have a stabilizing effect and deter a Communist takeover. It seems doubtful whether the Generalissimo would agree to any such plan, but this doubt would not prevent the discussion of the matter with Tsiang.

It is recognized that the introduction of this item on the General Assembly agenda would lead to considerable Russian "mud slinging." The China White Paper would undoubtedly be used *in extenso*. It is suggested that the United States position should avoid recriminations, should stand on our right (which is mentioned in the White Paper) to support the recognized Government, on the Russian pledge in 1945 that they would do the same, and on our offer to join with all other members of the United Nations in a new pledge to respect the administrative and territorial integrity of China.

A final point may be mentioned. If the Department definitely discourages the Chinese from putting this item on the agenda, we will be subject to new attacks from the supporters of the National Government in Congress and throughout the country. If the United States supports the kind of "Open Door" declaration which is here recommended, this would help in our general problem of meeting the Chinese situation in terms of domestic opinion.

PHILIP C. JESSUP

501.BB/9-849 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

TOP SECRET

NEW YORK, September 8, 1949—3:22 p. m.

1072. For Sandifer¹ from Ross. At Gerig's² reception last night I had chance fairly long conversation Victor Hoo concerning possibility China item may be proposed for GA agenda. Department will recall Trygve Lie told us week ago that Tsiang had consulted Hoo about this.

I initiated conversation by asking Hoo if he thought there was any chance question of China might come up in any way in GA. Hoo replied he understood Chinese Government was considering matter but had not yet reached decision (he may not be altogether up-to-date). He said one thing was clear, if Chinese Government raises question, will raise it in Assembly and not in SC.

Hoo did not directly say that Tsiang had asked his advice. He implied this strongly, however, by discourse on his extraordinary posi-

¹ Durward V. Sandifer, Deputy Assistant Secretary of State for United Nations Affairs.

² O. Benjamin Gerig, U.S. Representative on United Nations Trusteeship Council.

tion as Chinese National ASyG. Chinese Government had never attempted exert any pressure on him. They had, however, freely asked his advice on number of matters. He was in peculiar position; having been career diplomat all his life and his father a diplomat before him he had never in any way been involved in Chinese internal politics. Hoo also indicated pretty strongly he is *persona grata* with Communists, saying that in early twenties when he was Chinese Chargé in Berlin he had got Mao's ³ Number Two man out of jail where he had been committed for attending some Communist meeting as a young Chinese student in Berlin.

Hoo said he commented to Tsiang re putting item on agenda that "it depends on what you want to get, and can you get it?" I said I thought same questions would occur to me and observed I did not think it would do Nationalist Government any good if they failed to get GA backing for whatever they might decide to go after.

Hoo said he thought Chinese interest in putting item on agenda is "reaction to White Paper." He implied this had torpedoed Nationalist Government. He guessed they felt that if they were "going down" they would like to take us and maybe some others along with them. In same context Hoo talked about drowning man grasping at any straw and last act Nationalist Government could take to preserve its dignity and prestige; in other words, if they were going down they would go down with colors flying and putting blame where it belongs.

Hoo inquired about Jessup and I said I thought it not unlikely Jessup would be on our GADel. Hoo said he thought it would be very good idea for Jessup to talk to Hu Shih ⁴ who he said is still in New York. (In course conversation Hoo stressed role of "intellectuals".) Hoo said he thought it would also be good idea for Jessup to talk with a Chinese editor or publisher here in New York who, I gathered from Hoo's remarks, publishes a Communist Chinese paper here and is very influential. [Ross.]

AUSTIN

³ Mao Tse-tung, Chairman of the Central Committee of the Chinese Communist Party.

⁴ Chinese Ambassador in the United States, 1938-1942.

501.BB/9-849

*Memorandum by the Director of the Policy Planning Staff (Kennan)*¹

TOP SECRET

[WASHINGTON,] September 8, 1949.

I refer to the memorandum of August 31 from Mr. Jessup entitled "Proposed UNGA Resolution on Chinese Situation", and to the

¹ Addressed to the Ambassador at Large (Jessup) and to the Deputy Under Secretary of State (Rusk).

memorandum from Mr. Jessup to Mr. Rusk of September 7 entitled "Proposed Chinese Appeal to the General Assembly".

In connection with these papers, I should like to make plain the view of the Policy Planning Staff on these two issues, involving our position at the coming session of the UN Assembly.

1. *Proposed Chinese Appeal to the General Assembly.*

It is the view of the Staff that this Government should not in any way encourage the Chinese Government to appeal to the General Assembly the question of alleged Soviet violations of the Sino-Soviet Treaty of 1945. The reasons are as follows:

a. This Government is morally committed to the recognition of the predominant Soviet position in Manchuria. Our agreement to the restoration to the Soviet Union of the *physical* and *legal* advantages which the Czars' governments enjoyed in Manchuria prior to the Russian-Japanese War could only have meant to the Russians that we approved, and were sanctioning, the restoration of the *political* position which the Czars' governments enjoyed in Manchuria at that time. If we had any other thought in mind, it was certainly our duty to make this plain to the Russians at the time, since otherwise the natural assumption was the one indicated above. We have no particular reason, even in equity, to complain of Russian actions with respect to Manchuria since the treaty went into effect. What has occurred there is substantially what the Russians had a right to think that we expected to see occur. This is not a question of whether we have a debt of honor to the Soviet Government; it is rather a question of the seriousness and maturity of our own conduct in foreign affairs, and of whether we are prepared to take the consequences of our own political acts. If, as a result of our lack of perception, we find we have done something with which we are dissatisfied, it should not be our part today to try to remedy that oversight with ineffectual and fruitless expedients. Either the matter is important enough to engage our strength in a major way, or it should be allowed the healing grace of time and silence.

b. Support of such an appeal to the United Nations can only appear to have one ultimate purpose: namely, the eventual restoration of a central Chinese government to a position of real control in Manchuria. This, however, is a purpose which is highly unlikely ever to be achieved within our time. No central Chinese government has had this position within the past half-century. To acquire it, far more would be necessary than a mere recognition of legal rights. There would be necessary the political and military conquest of a vast territory with a population of over 30 million people, lying within the immediate sphere of Soviet strategic interest. Even barring Soviet opposition, there is no evidence that any central Chinese regime will acquire the capability to do this within the near future. Against Russian opposition, it is practically unthinkable. In supporting, therefore, a Chinese appeal which addresses itself to the fiction of Chinese sovereignty over Manchuria we are supporting a cause which reality will not substantiate. At some stage, it must appear that this venture has failed; and this failure must appear to be our own and that of the UN.

c. In reality, the end purpose of the Chinese effort to get us to support this deal is to involve us in an obligation of further support to the Chinese Government. In this case, the obligation would be anchored not only in positions which we ourselves had taken before the UN, but in some international action by the UN itself, and directed specifically against the Soviet Union. Should the Chinese succeed with this, our unavoidable political opposition to the Soviet Government would become fouled up with the question of our relationship with the Chinese national government. That is exactly what the Chinese want. From that time on, we could not back out of our support to them without appearing to yield a position to Russia in the cold war.

d. The day will come, and possibly sooner than we think, when realism will call upon us not to oppose the re-entry of Japanese influence and activity into Korea and Manchuria.* This is, in fact, the only realistic prospect for countering and moderating Soviet influence in that area, as long as the basic political situation in the world remains substantially what it is at present. Emphasis by this Government on the theoretical rights of a Chinese central government in Manchuria today must almost inevitably prove an embarrassing obstacle, at some future date, to the restoration of the natural balance of power in that area. The concept of using such a balance of power is not a new one in U.S. foreign policy,† and the Staff considers that we cannot return too soon, in the face of the present international situation, to a recognition of its validity.

2. *Reaffirmation of the Principles of the Washington Treaty.*

It is possible that a reaffirmation by this Government of the principles enunciated in Article I of the Nine-Power Treaty might pass harmlessly into history in the manner of many other solemn pronouncements of states. At the moment, the Staff knows of no purposes, or likely purposes, of this Government which would conflict directly with these principles.

It nevertheless feels, on balance, that it would be preferable not to undertake such a reaffirmation. Its reasons are as follows:

a. In principle, a government should be sparing with solemn commitments, even when there is no specific prospect of resultant embarrassment. It is impossible to tell what the future will bring; all the more so in the present period of uncertainty.

b. While the Russians may, for procedural reasons, decline to join in such a reaffirmation, they would be in no wise embarrassed by its

*In Tyler Dennett's book, *Roosevelt and the Russo-Japanese War*, he resuméed as follows the position of the U.S. Government with respect to Korea at the time of the Portsmouth Treaty: "To Japanese ascendancy in the peninsula the American Government had no objection. Japanese control was to be preferred to Korean misgovernment, Chinese interference, or Russian bureaucracy." [Footnote in the source text.]

†Theodore Roosevelt warned, in a letter to Senator Lodge of June 16, 1905, against allowing either Russia or Japan to triumph in that area. "It is best," he wrote, that Russia "should be left face to face with Japan so that each may have a moderative action on the other." [Footnote in the source text.]

provisions. Their policy with respect to China is so rigged as to be able to clear without difficulty all these semantic barriers.

c. Reaffirmation of the Washington Treaty formula would give an effective international guaranty to the "administrative integrity" of a communist China. Any foreign connection with an internal challenge to communist power would be outside the law, in the sense of this declaration.

d. When we subscribed to this formula originally, the Japanese, whom the words were designed to restrain, did likewise. This did not prevent the Japanese invasion of China and the development of catastrophe in the Far East. What justifies us in the assumption that the words would be any more efficacious if signed today by the Russians? Is their word any more to be trusted? Or have we greater confidence in our own resolution to support by force, in good time, the observance of the spirit of the declaration? The answer to these questions is obviously negative. Yet it is precisely these questions which we may have to answer if we undertake this action.

GEORGE F. KENNAN

893.00/9-949

Memorandum of Conversation, by the Assistant Chief of the Division of Chinese Affairs (Freeman)¹

TOP SECRET

[WASHINGTON,] September 9, 1949.

Participants: Mr. Dening, British Foreign Office, Assistant Under-Secretary for Foreign Affairs in Charge of Far Eastern Matters

Mr. Meade, Counselor, British Embassy

Mr. Ford, First Secretary, British Embassy

Mr. Butterworth, FE; Mr. Merchant, FE; Mr. Freeman, CA; Mr. Magill,² CA; Mr. Wright,³ CP

Taxation of Official Properties by the Chinese Communists

In bringing up this subject, Mr. Butterworth inquired of Mr. Dening as to the attitude of the British Government with respect to the payment of taxes on official properties in China. Mr. Dening responded that the UK was not on very strong ground in refusing to pay such taxes because foreign governments having official properties in Great Britain are in fact required to pay certain taxes. He stated that official British establishments in China have already paid certain house taxes and automobile taxes, under protest, and indicated that they would no doubt continue to do so.

Mr. Butterworth pointed out the difficulty of filing protests with the Communist authorities who refuse to recognize the official

¹ Initialed by the Director of the Office of Far Eastern Affairs (Butterworth).

² Robert N. Magill, of the Division of Chinese Affairs.

³ Robert B. Wright, of the Division of Commercial Policy.

character of our representatives in China. He stated that the US will also probably continue to pay, under protest, the taxes which are imposed on us by the Communist regime if the non-payment thereof would seriously inconvenience our representatives or hinder the continued functioning of our establishments in China.

Seating of a Chinese Communist Representative on the UN

Mr. Denning took note of the US view which, contrary to that advanced by the UK, held that the absence of a Chinese representative from the Security Council would not restrict the activities of the SC to procedural matters but would be treated as an abstention. He added, however, that he was not a lawyer and would not endeavor to pass on this question. He stated that, should the question of seating a Chinese Communist representative arise, the matter would first be referred to the Credentials Committee of the SC where it would undoubtedly receive the strong backing of the USSR; from the Credentials Committee, he stated, the matter would be referred to the GA where it would be decided by a two-thirds vote. Mr. Meade added that it should not prove too difficult to defeat such a motion in the GA and that the help of the Latin American nations could probably be counted on in this regard. Mr. Denning concluded that many nations would probably not wish to go on record as opposing the seating of a Chinese Communist representative and that the result of such a move might well be to postpone a final decision for an indefinite period.

Possibility of Chinese Government Bringing Case Before the UN

Mr. Denning inquired of Mr. Butterworth whether the Chinese Government had already placed on the agenda of the UN the question of a possible breach of the Sino-Soviet treaty by the USSR. Mr. Butterworth replied that so far as the Department knew a final decision in the matter had not yet been taken. He stated that one factor making for delay and uncertainty was a likely difference of opinion between the Generalissimo's group and Acting President Li's group which would have to be resolved before a decision could be made. He also stated that the attitude of the interested foreign powers would undoubtedly be given some consideration before the item is placed on the agenda.

In response to Mr. Denning's statement that the British Government had been less reassuring to the Chinese than the US, Mr. Butterworth explained that the US had assured the Chinese only of support *in principle*, and that the character and degree of our support would depend entirely on the strength and effectiveness of the case which the Chinese would present—a factor which we could not at this time estimate. Mr. Denning added that the Chinese case would have been far

stronger had it been presented while the Chinese Government was still an effective government rather than at the present time when it is faced with total defeat.

Mr. Butterworth stated that the Department was still wondering whether there was not some way to divert the character of the Chinese *démarche* into a channel which would be of more benefit to the western powers as well as to the Chinese Government. He also referred to Secretary Marshall's statement to the Chinese in Paris when the question was first broached to the effect that the matter was one for decision by the Chinese themselves. Mr. Butterworth added that something by way of censure of the USSR might be desirable *in the event* that the Chinese are actually in a position to present an effective case.

(At this point the conversation turned to a discussion of the status of Hong Kong.)

501.BB/9-349 : Telegram

The Secretary of State to the Chargé in China (Strong)

SECRET

WASHINGTON, September 9, 1949—9 p. m.

Telcan 662. Re Cantel 1063.¹

1) Statement of Ch Govt charges against USSR in reftel indicates shift in emphasis from exclusive reliance on Soviet treaty violations to indirect aggression in contravention of UN Charter. This would materially increase difficulties of proving case.

2) Re Charges 1 and 3 as experience in Greek and Czech case shows, satisfactory case indirect aggression by USSR almost impossible to establish. Dept regrets it has no confidential info not already in possession Ch Govt which it could convey to strengthen Ch case.

3) Charge 2 and to lesser extent other charges wld be based upon [clear] ² finding Soviet violations of treaty. Dept feels such finding possible of attainment but would depend on strength evidence presented. However, any such case would be weakened (a) if it were necessary to rely principally on violations which occurred some time ago; (b) if case rested on provisions of treaty open to differing interpretations. (We have in mind, e.g., possible argument that in absence Jap peace treaty, the "peace time" provisions for excluding Dairen from P[or]t Arthur Base regulations not yet applicable.) (c) If Soviets could show that alleged violations arose as result of inability of Nationalists to carry out treaty or if they were able present strong countercharge of Nationalist violations. Substance foregoing conveyed

¹ September 3, p. 167.

² Brackets appear in the source text.

Tsiang NY Sept 6³ who had indicated GA finding of Soviet violations would be basis of case.

4) As to proposed recommendations, first would, of course, be appropriate provided above difficulties in proving charges could be overcome.

5) Re recommendation that UN Members be called on to aid Nationalists, Dept feels and so advised Tsiang this seems inappropriate since it appears unrelated to case and its possible rejection by GA would harm Nationalist cause.

6) Re recommendation that Members not recognize Communists Tsiang was advised that this seems open to serious question on fol grounds: (a) Soviet violation of treaty is unrelated to any recommendation that Members not recognize communists; (b) recommendation would deprive Members of future freedom of action and would probably be resisted on that ground; (c) recommendation would probably be rejected by GA with consequent harm to Nationalist cause; (d) believe in general inappropriate for GA to recommend recognition or non-recognition in specific cases. Tsiang then shifted ground substantially in discussions with both US and UK and stated that non-recognition of Communists was only "indirect objective" which he did not intend to present formally but which would follow from recommendation of aid to Nationalists.

Ur info only Dept advised UK views coincide closely with foregoing; that they have so advised Tsiang and that French will make clear they are cool to whole idea.

7) Dept agrees with Ch Govt case should not be presented to SC. Of reasons given, 2, 4, and 5 would apply with equal force to presentation GA.

8) In summary Dept continues to believe that the decision as to whether the matter should be brought before the GA is one for Ch Govt to make. Dept. believes most effective case would be based exclusively Soviet treaty violations and does not believe second and third objectives either appropriate or possible of attainment. If Chinese decide to present case, extent of US support will depend on extent to which Ch can develop effective case.

You may in ur discretion discuss substance foregoing Depts views on recommendations with FonOff, bearing in mind possibility Ch Govts intention to pursue them may have shifted as result Tsiang conversations.

ACHESON

³ See telegram 1060, September 6, p. 169.

501.BB/9-1249 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

TOP SECRET PRIORITY NEW YORK, September 12, 1949—4:45 p. m.

1106. For Hickerson. Romulo telephoned this morning and in course conversation on another subject, separately reported, said Ambassador Tsiang had called on him last Saturday. Romulo said Tsiang talked to him about "the proposal they are to make". Romulo said he wanted to know what our reactions are so that he would "know how to advise" Tsiang. Went on to say that "at first blush the proposal looked very dangerous". He added "All the other side has to do is to read the White Paper and make it part of the record of the GA".

I told Romulo I would get in touch with him.

ROSS

501.BB/9-1349 : Telegram

The Ambassador in India (Henderson) to the Secretary of State

SECRET

NEW DELHI, September 13, 1949—3 p. m.

1075. Bajpai¹ tells me today that Chinese Chargé d'Affaires has presented External Affairs with note stating that Chinese Nationalist Government is planning to bring charges in UN against Russia for violating Chinese-Soviet agreement of 1945 on various grounds and asking Indian support.

2. Bajpai says no reply has yet been made but GOI considers it rather late to bring charge of this kind and believes that Chinese action has been brought for delaying purposes in order to obscure situation in Far East and prevent recognition of Chinese Commie regime.

3. He says he is somewhat puzzled at information received through channels usually reliable to effect that US Government has informally assured Chinese Nationalists that it is sympathetic at least in principle to the bringing of these charges.

HENDERSON

¹ Girja Shankar Bajpai, Secretary-General of the Indian Ministry of External Affairs.

501.BB/9-1449 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

TOP SECRET

NEW YORK, September 14, 1949—8:22 p. m.

1131. During course conversation other subjects separately reported with Romulo this afternoon, he raised question our attitude proposed

China item (remytel 1106, September 12). I asked Romulo if he could give me fairly precise report conversation he had with Tsiang on this subject.

Romulo said Tsiang had called on him and said he had instructions to take up at first meeting General Committee question proposed violations Sino-Soviet treaty for addition to agenda. He was not sure of action before getting opinion USG and UKG. He wanted meanwhile to learn Romulo's views as possible president of GA. In response question by Romulo, Tsiang indicated he did not feel free indicate views communicated to him by USG and UKG.

Romulo said he did not, of course, know what views his Government would be. He had observed that Vishinsky¹ would simply read US White Paper. He had inquired of Tsiang whether Nationalist Government thinks Communists are capable of organizing government and sending representatives to UN, and whether their motive in proposing item for agenda was "to steal a march on Communists." In reply my request for clarification, Romulo explained he had in mind in asking this question the idea that if Russians were found guilty of treaty violations, then those who had voted for such a finding could hardly vote for seating Communists in UN, thus Communists would be blocked from representation in UN. No indication nature Tsiang's reply, if any.

On basis conversations with Hickerson and Jessup, I told Romulo we had had two or three conversations with Tsiang. I indicated nature of three objectives Tsiang first mentioned to us and this subsequent shift of position. Said matter, of course, complex, still under consideration in Department. Said I felt we probably not enthusiastic. Added we did not feel would be appropriate US attempt to discourage Tsiang, mentioning Marshall had told Chinese, Paris, last fall, decision one for Chinese Government to make. Indicated we thought last two objectives (non-recognition Communists and aid to Nationalist Government) could not be achieved by GA and we could not support. Said with regard first objective (Soviet violations treaty) degree and nature of US support would depend on nature of evidence Tsiang could present.

Romulo observed it would be very hard for Nationalist Government to erase impression left by White Paper. He would not like to see Nationalist Government by putting this item on agenda thereby give Russians handle for smearing Nationalist Government with White Paper.

Romulo concluded by observing he thought it would be great mistake to put item on agenda. He thought Tsiang should be discouraged and he intended to discourage Tsiang.

¹ Andrey Yanuaryevich Vyshinsky, Soviet Minister for Foreign Affairs and Chairman of the Soviet Delegation to the General Assembly.

I made no comment.

At Ambassador's luncheon for visiting Congressmen today, SyG Lie mentioned this item to Hickerson and me. Said he had learned within last day or two (later said from Victor Hoo) that USG was encouraging Tsiang. Hickerson made clear this was not case, but we not in position to discourage. Lie, quite emotional, expressed strong opposition putting item on agenda, said he had passed back to Tsiang they should deal with question if they felt it must be dealt with at all in general debate.

AUSTIN

501.BB/9-1649 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

TOP SECRET PRIORITY NEW YORK, September 16, 1949—9:25 p. m.

1155. For Hickerson from Ross. Tsiang was not at Lake Success today and I was unable, therefore, to have casual conversation with him re China item as discussed in telecon with Hickerson this morning. I did, however, call on Tsiang this afternoon on my initiative. Said since this last working day before USDel arrives here Monday and since we had not discussed for several days item he is thinking of, might be well for me find out if he had any further information or views on this subject.

Tsiang said he had telegraphed his Government putting up to them for decision three alternatives as follows:

1. Maximum position with objectives of (a) finding Soviets guilty of treaty violations, (b) non-recognition Communists, (c) support Nationalist Government.

2. Minimum position which would include finding Soviet violation and recommendation no support of Communists.

3. Alternative position; Tsiang would cover Chinese case thoroughly in his plenary speech but would not put item on agenda.

Tsiang said he had not yet received reply from his Government. He guessed his instructions would give him discretion to choose between alternatives one and two above. Tsiang went on to say his present intention is to deal with subject in his plenary speech which he anticipates he will make on afternoon next Wednesday or Thursday without disclosing at that time whether or not he intends to propose item for agenda.

I recalled briefly to Tsiang that we considered his maximum objectives (b and c, non-recognition Communists and support Nationalist Government) as inappropriate and probably not possible of acceptance by GA. With reference first objective (finding Soviets guilty treaty violation), I reminded him degree and nature US support would

depend on degree and nature of evidence he had to present in support of his case. I said I had received no further information or comments to pass on to him, adding that our people would of course be glad to consider any information he might care give us on nature his case.

Tsiang said he had just received from China this morning "whole suitcase full" documentary evidence. He showed me and leafed over for my benefit thick album of pictures with captions in English and Chinese indicating Russian rifles, machine guns, etc., etc., captured from Communists, also such items as pictures of Communist ceremonies with Russian soldiers participating, photostat of pledge required to be signed by adherents to Chinese Communist Party with pictures Marx, Engels, Lenin,¹ Stalin ² and Mao. I made no comment on this "evidence", which impressed me as quite amateurish and certainly not in form readily useable in GA. Tsiang, however, seemed to be impressed by it, saying he "had no idea such material existed".

After we had discussed various other GA matters (reported separately), which I had used as partial excuse for calling on him, Tsiang returned to China item and said he would like my opinion on idea he had been thinking of. He said if it were decided to present item he would, of course, speak on the subject in First Committee. He then asked whether US would propose or possibly join with others in sponsoring resolution in accordance with precedents in similar cases in GA in past. He had in mind, I gathered, resolution covering their minimum position. I said I had no personal view but would report question to Department. I assumed Department would consider question in light our view that degree and nature our support would depend on effectiveness of his case. I thought Department might not wish to give him definite answer this question before it had opportunity to judge this factor. [Ross.]

AUSTIN

¹ Vladimir Ilyich Lenin, President of the Council of Commissars in Soviet Russia, November 1917-January 1924.

² Marshal Iosif Vissarionovich Stalin, Chairman of the Council of Ministers of the Soviet Union.

761.93/9-2049 : Telegram

The Chargé in India (Donovan) to the Secretary of State

NEW DELHI, September 20, 1949—10 a. m.

1105. During conversation with Bajpai yesterday we told him of Department's doubts (Deptel 645, September 16¹) re Chinese objec-

¹ Not printed.

tives for GA action on violations Sino-Soviet Treaty. He thought these doubts were extremely well taken.

Bajpai said he told Chinese Chargé here several days ago GOI could pledge support only for motion to put case on agenda. It could offer no encouragement it would support China further as it must remain free judge matter on its merits as it develops.

Bajpai said whether we like it or not, Chinese Communists would establish themselves as *de facto* and also *de jure* government of China. In GOI view, nonacceptance of this situation would simply strengthen hand of those Chinese Communists who insisted on complete collaboration with USSR as only friend of new regime. On other hand, acceptance in due course would not strengthen them but would give instead more leeway to patriotic elements among Chinese Communists, thus increasing chances of "an oriental Titoism".² GOI could not look askance at regime merely because it was Communist. He said of course he was not speaking out of sympathy for USSR or for Chinese Communists who have called Nehru³ "running dog" for Anglo-American imperialists.

Bajpai asked latest advice from Indian Ambassador [in] Nanking;⁴ indicated Chinese Communist Government would be proclaimed early in October. We do not consider his remarks as reported herein are indication GOI will recognize Chinese Communists precipitously without prior consultation US and UK but they do support view expressed by Ambassador Henderson in paragraph 7, Embtel 1025, September 6.⁵ Nehru and Bajpai will of course both be in US in October.

Sent Department 1105; Department pass Nanking.

DONOVAN

² Marshal Josip Broz Tito, head of Yugoslav Communist Party and State, broke with Moscow in June 1948.

³ Jawaharlal Nehru, Indian Prime Minister.

⁴ K. M. Panikkar.

⁵ Vol. IX, p. 72.

501.BB/9-2149 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET

NEW YORK, September 21, 1949—2: 10 p. m.

Delga 7. From Jessup. Just finished long conversation with Tsiang. He will speak tomorrow morning in GA and will open up Chinese complaint against USSR. On his own authority and without informing other members Chinese delegation, he will say he speaks for Chinese people, this being intended to exclude identification any Chinese governmental party. He will not in speech definitely suggest

placing case on agenda but plans to do this in general committee early next week and in any case before October 1. He was not definite on question his instructions but was definite about action he will take.

Central point this case will be violation Sino-Soviet treaty including Dairen on which he is prepared to refute Soviet argument. Will also cover railroads and general assistance to Chinese Communists. Regarding evidence Soviet aid Chinese Communists, Tsiang said Government decided not to ship actual exhibits in form of Russian arms captured but referred again to numerous photographs of arms and personnel which could be identified as Russian. He admitted evidence is spotty and cannot show volume or percentage of aid.

He first said he hoped for resolution which would find breach of treaty. When I questioned him regarding GA precedent for such finding on a legal question, he changed his ground and said he would be content with resolution calling on the two parties to submit case to International Court. On question aid to Communists, he hoped Assembly would make definite finding but later abandoned this position saying he had in mind a "negative" type of resolution which would call on members not to aid Chinese Communists. He expressed hope US jointly with one Asiatic and one Latin American state would sponsor such a resolution. Tsiang asserted main need in China now is boost for morale and they have no expectation material aid from UN. He is considering desirability some UN commission in China but has no firm view on this point.

Regarding support other delegations, Tsiang said his one fear was of abstentions but hopes 30 votes could be mustered for some resolution. He said among Latin Americans Brazil, Chile and Peru had assured him of their support and probable other Latin American support. Egypt has promised strong support and Tsiang expects other Arab states to follow. He counts on Pakistan. Member Chinese delegation interviewed Mrs. Pandit yesterday and was told Chinese were mistaken in thinking India was letting China down. Mrs. Pandit said India had strongly argued in Commonwealth discussions against recognition Chinese Communists. Mrs. Pandit also said Chinese Ambassador, New Delhi, had not told them fully about Chinese plans in GA. Tsiang interpreted tone and content her statements as indicating support. Tsiang also claims support of Philippines and Thailand. We will check with delegations regarding Tsiang's estimate.

Tsiang indicated no difficulty difference of instructions from Generalissimo and President Li. He said he was actively fostering creation new non-Communist Chinese group which would accept participation all elements but build chiefly on liberals including leftwing. Hu Shih and several officials National Government already lined up with Tsiang in this movement. Tsiang anticipates Russians will use

China White Paper in GA debates and is prepared to say he is pleading for no Chinese Government but only for Chinese people.

I told him we had been waiting further details his plans and I would now report to Department concerning this conversation. I personally believe we should make decision now concerning tactics. I refrained from broaching to Tsiang idea of resolution along lines Nine-Power Treaty. Believe Department should decide whether desirable suggest this approach to Tsiang in next few days and canvass other delegations. Question of possible proposed action on Formosa also needs reconsideration. After Tsiang's speech tomorrow we will probably get further reactions and also requests for US attitude toward problem. [Jessup.]

ACHESON

501.BB/9-2149 : Telegram

The Acting Secretary of State to the Secretary of State

TOP SECRET PRIORITY WASHINGTON, September 22, 1949—6 p. m.

Gadel 5. Re Delga 7. For Jessup. Notwithstanding Tsiang's definite attitude on submitting case to GA reported reftel, reaction other Dels to his speech today may cause him to revise his estimate of expected support and therefore his course of action in GA. However if he still remains firm on decision to present case Dept believes that in light of his apparent uncertainty as to approach, best US and UK tactics, after assuring him support in GC¹ for inclusion of item on agenda, would be to try to persuade him to steer case in direction least embarrassing to us.

Therefore you may in your discretion indicate to him US views along fol lines as set forth reftel and previous discussions in Dept:

(1) On Negative side:

(a) reiterate our previously stated views on general difficulties of proof, appropriateness of objectives and fact that US has little if any direct evidence of probative value not already available to Ch. Govt.

(b) indicate that US is not in position to state what kind of res if any we might be prepared to sponsor, but feel this must await consideration of case and debate in Comm.

(c) again raise the question re GA precedent for ruling on legal matters involved in finding on Soviet violations and reiterate that character and degree of support for any such finding would depend on whether case were based on strong evidence; and

(d) indicate our doubts re possibility of $\frac{2}{3}$ support for such resolutions as he has been considering, pointing out that we share his fear

¹ General Committee.

of defeat through abstentions. (Dept requests USDel estimate of probable negative votes on basis of reactions to Tsiang's speech.)

(2) On Affirmative side:

(a) explore with him idea of resolution along lines of principles of Nine Power Treaty as type of GA action which US could support. Dept believes you are in best position to work out approach this point. You should point out, however, that we think it would be unwise for Chinese themselves to appear as sponsors of such a res. although sponsorship by other Asiatic powers might have advantages.

(b) suggest to him the tactical desirability of countering Soviet legal arguments by offering to submit legal differences re breach of treaty to ICJ.² You may indicate that US would support GA recommendation that parties do so. If he raises the question you should add that in our present view it would be inappropriate for the GA itself to ask ICJ for advisory opinion. (In addition to legal and technical difficulties such action would have undesirable effect of insuring that case automatically would have to be considered at Fifth GA.)

(c) Point out to Tsiang that if case is to be submitted to GA we believe it is even more important for him to concert Ch. position with the other Asiatic countries than with US and to be certain of their support.

3. Re Formosa, Dept suggests that any discussions with Tsiang be limited at moment to ascertaining Chinese attitude toward any UN action. Although action such as establishment UN Comm is possible eventual tactic, especially if case should get out of hand, our present feeling is that interjection UN in Formosa situation might precipitate rather than delay Commie efforts seize control and plunge UN into a situation to its embarrassment and detriment which it could not solve, control nor materially affect.

Assume you will consult with UK Del on foregoing approach.

WEBB

² International Court of Justice.

501.BB/9-2349 : Telegram

The Secretary of State to the Acting Secretary of State

[Extract]

SECRET

NEW YORK, September 23, 1949—4:51 p. m.

Delga 15. Following decisions taken at GADel meeting September 23:

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2. China. Effort will be made to elicit reaction of other delegates, especially of Asiatic delegates, to Tsiang's speech.

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ACHESON

501.A Summaries/9-2449 : Telegram

The Secretary of State to the Acting Secretary of State

[Extract]

SECRET

NEW YORK, September 24, 1949—12:56 a. m.

1180.

SINO-SOVIET TREATY

China had definitely decided to place the question of breach of the Sino-Soviet Treaty on the GA agenda Sept. 27 or 28, Tsiang (China) disclosed to Jessup Sept. 23. He reiterated that China had evidence of Russian assistance to the Chinese Communists but could not prove the extent.

In reply to Jessup's observation, he said it would be quite satisfactory to him to have the legal issues referred to the ICJ. However, on the question of fact of USSR aid he hoped the GA would make a finding in China's favor.

Tsiang reported that he had formulated the item to read somewhat as follows: "Threats to the independence and territorial integrity of China and to the peace of the Far East resulting from the breach of the Sino-Soviet Treaty of 1945". He wanted to avoid centering on a legal issue of treaty breach.

Regarding the form of a resolution, Tsiang wanted merely to have a proposal which would show the Chinese people that the UN was on their side. He indicated he would welcome almost any resolution which could be so interpreted, implying that one along the lines of the Nine-Power Treaty of 1922 would, in his view, satisfy this requirement.

While Tsiang had not definitely decided whether it would be useful to have a UN Commission for China, he was inclined to doubt it. He said Taiwan was "as much a part of China as Canton" and, in reply to a query, said he would consider whether it would be useful to have UN action re Taiwan in connection with the present situation.

Tsiang also revealed that he was considering some reference in a GA resolution to giving jurisdiction of the case to the IC for possible later action.

According to Tsiang, Romulo (Philippines) was "100 percent" with the Chinese; Burma, he said, would support placing the item on the agenda but its further support would depend on the strength of the case. In the absence of Wan (Thailand), he could learn nothing about Thailand's position.

Rau (India) said he had cabled for instructions on the case.

McNeil (UK) revealed Shawcross would handle the case for the UK when he arrived and until then he would take charge of it. He

agreed the UK and US would have to give GC support to the Chinese request to place the item on the agenda.

Fawzi (Egypt) disclosed he had indicated to Tsiang that he would support inclusion of the item but had given no assurances beyond this. He did not think Egypt would make a statement in the debate.

GA President Romulo reported Tsiang (China) had informed him that he intended to address a letter to the GA president on Sept. 27 proposing inclusion of the Sino-Soviet Treaty on the GA agenda.

The Chinese delegation voted 8-2 in favor of placing the question of breach of the treaty on the agenda, Pao (China) advised USGADel. He expected approval from Canton Sept. 23. He said that 44 countries had promised to support the item, but admitted support was only on the question of placing the matter on the agenda.

ACHESON

501.BB/9-2549 : Telegram

*The United States Representative at the United Nations (Austin)
to the Acting Secretary of State*

SECRET

NEW YORK, September 25, 1949—2:18 p. m.

Delga 26. For Rusk from Jessup. Since Del has had inadequate opportunity full discussion Chinese case, am sending these personal views responsive your telephone request for use Monday staff meeting.

Taking as hypothesis Chinese will introduce agenda item in GC where US will support putting on agenda pursuant standard policy and without opinion on merits. Believe considerable vote will support this step. Recommend US in GC and plenary debate stick to general policy inclusion agenda item and avoid being drawn into debate on merits at this stage even if USSR provocative. Believe USDel should have discretion re committee allocation but Committee One probably preferable *ad hoc*. Under present expectations Chinese item could not clear GC and plenary before end of week. If Greek case plans successful Committee One might by that time have begun ItCols.¹ Chinese case could come next as urgent item. If ItCols not already taken up our stand on precedence Chinese case will immediately be considered reflection US general attitude. Chinese may see desirability deferment allowing time consultation and preparation case other Dels but contrariwise they may be anxious act before CCP² further consolidates

¹ Italian colonies.

² Chinese Communist Party.

regime. Despite our general preference take up ItCols soonest, would advise in terms our general position China affairs we take position their case is on its face urgent and should receive precedence. Believe Department should carefully consider general effect US position this first step in terms Congressional and public opinion. Assuming violent Soviet attitude including attacks on US with expected quotes White Paper, doubt if we can or should remain aloof. Indifference allegations Russian imperialism sweeping Asia, etc., would have bad effect other Asian states, especially in view line taken White Paper letter transmittal.³ Attitude US will also be estimated in terms recent A-bomb statements.⁴ Recommend high level talks Congressional leaders as soon as Chinese item actually introduced, pointing out all implications stand we take in GA. We run risk of being maneuvered into general support Nationalist Government unless plans carefully developed, clear position taken immediately and freely communicated other Dels. Still believe best line would be to say we understand Chinese case involves question allegations treaty breach and threat to Chinese independence and integrity. We would state we will await Chinese development their case but then be prepared support resolution recommending parties refer treaty breach ICJ and another resolution along lines Nine-Power Treaty but not referring to that treaty. Latter resolution would universalize historic American policy and should attract support India and many others as middle of road line defending a principle without finding of Soviet guilt or consequent denunciation. Will try send draft such resolution for Department's consideration shortly. Proposed Formosa aspect should await developments in debate and in China.

Must consider also whether US should sponsor or join in sponsoring resolutions. Can see definite advantages terms US opinion in sponsoring second resolution especially. Joint sponsorship would be helpful.

Would reemphasize importance being prepared to take clear and definite line with other Dels as soon as case introduced GC with reference both US and GA opinion and effect Asian countries. This may indicate desirability immediate talks at least Connally⁵ and Vandenberg.⁶ Repeat these are personal and not USDel views.

Forgot include report my recent lunch conversation Tsiang possibly significant item that he said he understood I had had a good

³ Dated July 30 from the Secretary of State to President Truman, *United States Relations With China*, p. iii.

⁴ For statements on September 23 by President Truman and the Secretary of State, see Department of State *Bulletin*, October 3, 1949, p. 487.

⁵ Sen. Tom Connally, of Texas, Chairman of the Senate Committee on Foreign Relations.

⁶ Sen. Arthur H. Vandenberg, of Michigan, ranking Republican member of the Senate Committee on Foreign Relations.

talk with Garreau ⁷ of France, this being on question use of Indochina base for operations supporting Chinese armies Yunnan and Kwangsi. [Jessup.]

AUSTIN

⁷ Member of the French Delegation to the General Assembly.

501.BB/9-2749 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, September 27, 1949—5 p. m.

Gadel 16. For Jessup. Re Delga 26.

1. Dept agrees that on admission of item to agenda US shld avoid being drawn into debate on merits and will leave to GADel discretion re Comite allocation. Dept wld prefer not give item precedence over ItCols and leave your discretion whether you so indicate to Tsiang, but agrees that if Ch urge priority US should support but not press for its prior consideration.

2. Dept shares your feeling of importance US taking clear line with other Dels as soon as item is placed on agenda. Communication our position to other Dels by end of week desirable in order help avoid any implication that the above position on precedence of the item reflects greater support for Chinese or hope for effective action than is actually the case.

3. Dept agrees your views reftel that US position shld be to favor recommendation that parties refer legal issues to ICJ and favor resolution embodying principles Nine Power Treaty. We are encouraged by indications from your talk with Tsiang Sept 23 that he might be content with such resolutions as the principal action which GA wld take. Whether we wld support finding of Sov violations wld depend on (a) extent to which such finding by GA wld be prior determination of issues to be put before ICJ, and (b) strength of evidence presented by Chinese. We will continue to oppose as inappropriate and probably impossible of attainment GA recommendation of aid to Nationalists or nonrecognition of Commie regime. Re possible reference in GA resolution to giving jurisdiction of case to IC, Dept feels this wld be unwise and ineffective and wld create greater likelihood that case wld again be brought up in future. Further, Dept agrees with your comment re risk of involvement of such proposal in problem of extent of IC's powers. Pls seek dissuade Tsiang on this point.

Above line shld be taken in discussions with other Dels as soon as item placed on agenda.

Pls discuss with UK and Romulo problem of who might sponsor resolution along lines of Nine Power Treaty indicating we see possible advantages sponsorship by Asiatic countries other than China. You may also want to make discreet inquiries of Indian, Phil[ippine] and Thai Dels as to whether they wld be disposed to sponsor such a Res. Do not yet indicate to Tsiang any possibility of US sponsorship.

As to timing and tactics on the proposed resolutions we think it wld be better if Tsiang cld be persuaded not to make any proposals at time he presents case. We may anticipate that Sov Del will make immed response which will probably bring out differences in interpretations of agreements. These differences wld, for example, include (1) whether under Article 4 of Dairen agreement Dairen is subject to Sov mil regime estab for Port Arthur Naval Base Area, and (2) whether under same article Sov responsibility for defense of base gives right to exclude Chinese troops. Tsiang cld then make offer refer such questions to ICJ and friendly state cld introduce res recommending the parties do so which US cld then strongly support. This wld probably be best time for introduction Nine Power Treaty Res in order to direct consideration of case toward it as primary objective and help shorten debate.

Question Congressional contact you suggest under consideration.

WEBB

501.BB/9-2849 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

[Extract]

SECRET

NEW YORK, September 28, 1949—4 p. m.

Delga 38. Following are decisions taken at delegation meeting today:

2. China. Delegation agreed to follow general approach recommended by Department (Gadel 16, September 27), and to support reference of Chinese item to Committee 1, for consideration immediately after Italian colonies. US position as outlined Deptel will be disclosed other delegations as soon as item formally placed on agenda by plenary scheduled for September 29. It was agreed that press should not at this stage be informed in any detail of US position but should be given general background along lines developed in letter of transmittal in China White Paper regarding traditional US support for integrity of China and for Chinese people. Further information as to US position would await presentation of Chinese case to GA.

AUSTIN

501.A Summaries/9-2849 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

[Extract]

NEW YORK, September 28, 1949—11 p. m.

1200.

GENERAL COMMITTEE (67TH MEETING)¹

SUMMARY

Following statements by China, the USSR, Greece and Poland, the GC Sept. 28 recommended addition to the GA agenda of the new Chinese item concerning violations of the Sino-Soviet Treaty and its allocation to Committee 1. The vote on inclusion was 11-2 (USSR, Poland) with Chairman Romulo (Philippines) not voting. Vishinsky (USSR) charged that the proposed item, which accused the USSR of violating the UN charter, as well as the treaty, was designed to shift the blame for the Kuomintang regime's "bankruptcy and collapse" to the Soviet Union. Tsiang (China) confined himself to mentioning several of the major provisions of the Sino-Soviet Treaty.

AUSTIN

¹ For complete record of meeting, see *Official Records of the General Assembly, Fourth Session, General Committee*, pp. 9 ff.

501.A Summaries/9-3049 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

[Extract]

NEW YORK, September 30, 1949—12:50 a. m.

1204.

GENERAL ASSEMBLY (230TH PLENARY)

SUMMARY

By a vote of 45-6 (Yugoslavia and Soviet bloc)-5 (Afghanistan, Haiti, Israel, Syria, Yemen), the GA Sept. 29 approved the GC recommendation for inclusion in the agenda and allocation to Committee 1¹ of the Chinese charge that the USSR was threatening the

¹ The First (Political and Security) Committee of the General Assembly.

political independence and territorial integrity of China and peace in the Far East.²

AUSTIN

² See *Official Records*, Plenary Meetings of the General Assembly, 20 September–10 December 1949, p. 95.

501.BB/10-349 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

NEW YORK, October 3, 1949—5:30 p. m.

Delga 52. Following are decisions taken at GAdel meeting today:

3. China. Delegation accepted Amb. Jessup's suggestion that, in view of proclamation of new Chinese "government" and its immediate recognition by USSR, members of USDel, in discussing Chinese item, indicate this not unexpected and does not change present situation, pointing out virtually automatic Soviet recognition appears lend some color to Chinese charges of Soviet collusion and support for puppet regime.

AUSTIN

501.BB/10-449 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, October 4, 1949—7 p. m.

Gadel 28. Fol for your comments is draft of Res on China combining principal points of Jessup's draft Sept 28¹ and alternative draft previously prepared in Dept: ²

"GA, Conscious that basic purpose of UN is to develop friendly relations among nations on basis of respect for principles of equal rights and self-determination of peoples, fulfillment in good faith of international obligations, observance of fundamental human rights and noninterference in internal affairs other peoples;

"Mindful of disturbed conditions arising out of existence widespread hostilities in Republic of China;

¹ Not found in Department of State files.

² See draft of August 30 annexed to Mr. Jessup's memorandum of August 31, p. 160.

"Concerned over grave charges made by Ch Govt in respect to activities of USSR (possibly to be specified later); and

"Aware that restoration of stable conditions in China is essential for maintenance international peace and security;

"Calls upon all States

(1) to respect the right of the Chinese people now and in the future to choose freely their political institutions and to maintain a government responsive to popular will and independent of foreign control; and

(2) to refrain from—

(a) interfering in the internal affairs of China;

(b) seeking to acquire spheres of influence or to create foreign-controlled regimes within the territory of China; or

(c) seeking to obtain special rights or privileges anywhere in the territory of China."

Re your first bracketed para. Dept considering relative merits for alternative wording:

"And likewise calls upon those exercising *de facto* political authority within any part of the territory of China to refrain from any activities directed against any state which might constitute a threat to or a breach of the peace or create a situation likely to endanger international peace and security."

On balance we feel your second bracketed para should not be included but held for further consideration if proposals should be made by others to set up special UN machinery or refer case to IC or next GA.

WEBB

501.BB/10-649 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

NEW YORK, October 6, 1949—3:09 p. m.

Delga 66. Staff has given very careful consideration to draft China resolution contained Gadel 28 October 4 and has drawn up alternative draft which it submits for Department's consideration.

Principal points of difference are (1) omission in Department's draft of clause relating to respect for "sovereignty, independence and territorial and administrative integrity of China" and (2) inclusion in Department's draft of clause relating to "interfering in the internal affairs of China".

As to point (1), we feel it would be difficult in resolution designed in large part to reaffirm our traditional policy toward China to omit feature which has been keystone of that policy. Omission we feel

would stand out glaringly and provide opening for Soviets to impugn our intentions. We recognize of course that situations might develop in China in regard to which we would wish to take stand which could be challenged as inconsistent with GA resolution containing this clause, but we believe we could demonstrate even in such circumstances our policy was in fact designed to support long-term independence and integrity of China. Likely Soviet policy in Manchuria, Inner Mongolia and Sinkiang could, on other hand, be clearly shown to be in violation of such pledge.

On point (2), we feel reference to "interfering in the internal affairs of China" is likely to lead us back in GA debate to direct support of Tsiang's case, a position we are seeking to avoid by introducing broader based resolution which could obtain approval of substantial majority of states. Most other delegations are obviously unwilling to be drawn into public support of Chinese case which they feel cannot be proven and they will welcome alternative resolution only if it enables them to escape this necessity. Question of intervention in internal affairs is moreover one on which we are most vulnerable and on which White Paper can be most convincingly used against us.

Further point is reference in preamble of Department's draft to "charges made by Chinese Government". We would deprecate such reference in our resolution for tactical reason set forth in preceding paragraph and also because we feel mention of this incidental matter might be inappropriate in document we hope might form long-term basis for UN policy on China.

We still have doubts about advisability of introducing into this resolution, even in form of redraft suggested by Department, reference to possible aggression by Communist regime. Should one or more Asian states wish this point covered we might go along with separate resolution they would introduce.

We would appreciate Department's comments on our redraft. As soon as satisfactory draft is accepted, we believe it should be discussed informally with three or four delegations previously sounded out on proposal along these lines. Other delegations would not be shown draft at this time but we feel it should be ready for prompt use, at delegation's discretion, in case course of debate on Soviet peace pact resolution or contest over credentials of Chinese delegation should at any time make desirable crystallization of Assembly sentiment on Chinese case. We are, moreover, inclined to view there would be definite advantage, both in relation to current GA situation and from broader considerations of US Far Eastern policy, for US to sponsor resolution along these lines, though there would also be advantage in obtaining, if possible, one or more co-sponsors from Asia.

Following is text of our draft resolution :

"Whereas the peoples of the United Nations have expressed in the Charter of the United Nations their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security, and to that end the members of the United Nations have obligated themselves to carry out the purposes and principles set forth in the charter, and

"Whereas it is a purpose of the United Nations to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and

"Whereas the organization of the United Nations is based on the principle of the sovereign equality of all its members, and

'Mindful of the existence of disturbed conditions in China,

"The General Assembly

"Calls upon all states:

"(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

"(2) To respect the right of the Chinese people now and in the future to choose freely their political institutions and to maintain a government responsive to popular will and independent of foreign control; and

"(3) To refrain from—

"(a) Seeking, encouraging, facilitating, or participating in the creation of extraterritorial rights, spheres of influence or special regimes or administrations within the territory of China;

"(b) Seeking or obtaining exclusive rights or privileges anywhere in the territory of China."

AUSTIN

501.BB/10-649 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, October 11, 1949—1 p. m.

Gadel 46. Dept after comparing draft resolutions Delga 66 and Gadel 28 has prepared suggested revised draft combining best features of both drafts and has foll observations:

1. Dept agrees Delga 66 preamble. Only reason for ref in preamble Dept first draft to grave charges was to increase acceptability of res to Chinese Del and thus to forestall Chinese proposal unacceptable to US.

2. With respect to first para Delga draft Dept considers desirable to avoid phraseology of nine-power treaty because of undesirable associations. Furthermore Delga text likely to strengthen whatever

govt controlling China. Since probably unfriendly Communist govt will shortly control China res shld limit US freedom of action as little as possible. Dept does not agree that omission of para wld be glaring omission since remainder res does not foll closely nine-power treaty text. Dept is suggesting revised text using Charter language to accomplish same objective.

3. Dept is proposing revised wording of third para of Delga res. Phrase extraterritorial rights is omitted since Sovs have consistently made great propaganda point of fact that Sov Union was the first to give up such rights voluntarily in China. Phrase special regimes or administrations seems ambiguous and is changed to foreign controlled regimes. Revised para also stresses future rather than past acts and seeks to avoid phraseology which might be used effectively for propaganda purposes against US. For example, inclusion words "encouraging, facilitating or participating" might bring up question US role at Yalta¹ and at same time undesirably limit US freedom of action.

4. Dept considers that any ref in res to a govt "responsive to popular will" wld be unrealistic under circumstances now existing in China.

Foll is suggested revised text of draft res:

"Whereas the peoples of the UN have expressed in the Charter of the UN their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security, and to that end the Members of the UN have obligated themselves to carry out the purposes and principles set forth in the Charter, and

"Whereas it is a purpose of the UN to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and

"Whereas the organization of the UN is based on the principle of the sovereign equality of all its members, and

"Mindful of the existence of disturbed conditions in China,

"The GA

"Calls upon all states:

"(1) To respect the sovereignty of China and to refrain from the threat or use of force against its territorial integrity or political independence;

"(2) To respect the right of the Chinese people now and in the future to choose freely their political institutions and to maintain a govt independent of foreign control; and

"(3) To refrain from (a) seeking to acquire spheres of influence or to create foreign controlled regimes within the territory of China or (b) seeking to obtain special rights or privileges anywhere in the territory of China."

5. Dept believes sponsorship of res by group of powers including South East Asian States but not US wld add moral force, eliminate undesirable associations with "imperialist powers" and avoid placing

¹ For documentation on the Yalta Conference, see *Foreign Relations*, The Conferences at Malta and Yalta, 1945.

US in forefront. Dept however recognizes possible operational difficulty under such circumstances of assuring satisfactory text.

Your comments requested.

ACHESON

501.BB/10-1849 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, October 18, 1949—11:10 p. m.

Delga 110. Following are decisions taken at GAdel meeting today:

1. China. Draft resolution (Gadel 46) presented to delegation for consideration of substance, sponsorship, timing of introduction, etc. Some delegates expressed view that resolution too general a statement of principles to achieve maximum effect, and suggested strengthening to take fuller account of recent events in China. Point was made that draft resolution apparently based on premise that China would make no case, or only vague case, re alleged Soviet treaty violations. If actual violations were proved, however, different type resolution required. Jessup explained intention of resolution was simply to get GA to affirm traditional principles of policy toward China and stated that, if treaty violation case made, US prepared to consider reference of legal aspects to appropriate judicial body. No decisions taken.

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AUSTIN

501.BB/10-1949 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

NEW YORK, October 19, 1949—5:56 p. m.

Delga 118. Draft China resolution contained in Gadel 46, October 11 was given brief preliminary consideration in delegation meeting October 18. Some feeling was expressed that resolution as now drafted was too neutral in tone and failed to emphasize sufficiently either seriousness with which we regard present situation in Far East or to take sufficient account of Chinese Nationalist case against Soviets.

In order to some degree to meet these criticisms two concrete suggestions have been made. The first is to substitute for final clause of preamble, which was considered particularly weak, following: "Mindful of the threat to the stability of international relations in the Far East created by civil strife in China". Second suggestion is to add to

paragraph (3) of resolution clause (c) as follows: "To refrain from exercising or using rights under existing treaties or agreements to infringe upon principles set forth in paragraphs (1) and (2)".

Department's comments on these two suggestions would be appreciated.

AUSTIN

501.BB/10-2149 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, October 21, 1949—6 p. m.

Gadel 67. Dept agrees with first suggested change in draft China res (Delga 118). However, although recognizing force of criticism ref tel we have some doubts re wisdom of proposed addition to para 3, both because of effect it might have on Brit position in Hong Kong (particularly re leased territories) and because of its possible future use by Ch Communists as pretext for disregarding or refusing to accept other treaties with foreign powers.

Dept wld appreciate your further comments in light above.¹

ACHESON

¹No further exchanges or record of "further comments" have been found in Department of State files. In mid-November the U.S. Delegation was discreetly circulating a tentative draft text of a proposed resolution which incorporated the changes embodied in the previous exchanges of mid-October yet retained the section 3(c) to which the Department objected ; for text, see p. 207.

501.A Summaries/11-549 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, November 5, 1949—1: 15 a. m.

1315.

CHINESE CASE

China did not plan to submit a resolution on the Chinese item, being under the impression that the US would sponsor a proposal, Tsiang (China) disclosed to USGADel. He hoped the US would do so and that the resolution would be co-sponsored by representative countries of Latin America, Asia, the Near East and Europe.

Bajpai (India) indicated he was somewhat concerned with the Chinese case. He sought USGADel's reactions to the objectives Tsiang had in mind.

AUSTIN

501.BB/11-849: Telegram

*The Acting Secretary of State to the United States Representative
at the United Nations (Austin)*

SECRET

WASHINGTON, November 8, 1949—7 p. m.

Gadel 95. In message from UK, apparently also sent to all members of Commonwealth and NAT, Brit have indicated they intend instruct UK Del to take no part in debate on Chinese case in GA and to abstain from voting. If UK and some or all of other Govts approached adopt this attitude, GA approval of proposed Res or any other constructive action will be highly unlikely and GA consideration of case will be reduced to mere formality. In that event continued US advocacy proposed Res would place us in undesirable isolated position.

In light above pls explore with UK Del possible reconsideration UK position to permit them at least to support proposal along lines Nine Power Treaty. You shld make clear that in general US shares UK doubts as set forth in memo that Nationalist complaint will help in upholding Nationalist authority, that successful case can be established, or that on basis present info strong support of Nationalists in debate wld be justified. However, you shld explain that in our view these considerations can be met and US-UK objectives in China, in UN and in overall world policy would be better served by support of GA Res along indicated lines than by attitude of abstention. You shld point out that proposed Res avoids unwarranted support of Nationalists or criticism of Communists but that in asserting basic Charter principles it also avoids appearing to favor Communist regime or condoning in Far East acts we condemn elsewhere. You shld indicate desirability in our view of some such affirmative guidance for disposal of case to avoid embarrassing developments and to minimize possible Soviet propaganda advantages. You shld also indicate desirability US-UK unity this matter and difficulties US wld face in abandoning its support at this stage of so mild a proposal as we suggest.

If, however, UK unwilling to modify its proposed position, Dept feels you shld insist that UK apprise Chinese soonest of their proposed attitude since this wld undoubtedly be important factor in future decisions of Nationalist Reps concerning case.

Dept also approaching UK Emb along above lines.

WEBB

501.A Summaries/11-1049: Telegram

The United States Representative at the United Nations (Austin) to the Acting Secretary of State

[Extract]

SECRET
1328.

NEW YORK, November 10, 1949—12:25 a. m.

CHINESE QUESTION

In response to a query, Tsiang (China) said he had not mentioned to any other delegation the fact that he did not intend to introduce a resolution concerning the Sino-Soviet Treaty case and would not so mention it. When he was informed the US had not yet reached a firm decision to submit a resolution on China, Tsiang said he still hoped the US would proceed with a broadly-based resolution at the proper time.

AUSTIN

IO Files¹: US/A/C.1/1696*Memorandum of Conversation, by Mr. Philip C. Jessup of the United States Delegation to the Fourth Regular Session of the General Assembly of the United Nations*²

SECRET

[NEW YORK,] November 10, 1949.

In accordance with Gadel 95, November 8, I talked today with Sir Alexander Cadogan³ about the Chinese case presenting the points indicated in that telegram and showing him a copy of our proposed resolution in the form of a rough draft.⁴ Sir Alexander thought that the resolution was along the right lines but felt that certain changes would need to be made. He pointed out that the paragraph saying "Mindful of the threat to the stability of international relations in the Far East created by civil strife in China" was hardly in accord with realities today. In his opinion the civil war has gone so far that in itself it can hardly be considered such a threat. He thought that paragraph 1 was also somewhat inappropriate, particularly as it follows the paragraph just quoted. The draft I showed him also con-

¹ Short title for the master files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State.

² For documentation regarding the composition and organization of the U.S. Delegation and advisory staff to the fourth regular session of the General Assembly, which met at New York, September 20–December 10, 1949, see pp. 12 ff.

³ Permanent Representative of the United Kingdom at the United Nations.

⁴ *Post*, p. 207.

tained point (c) in paragraph 3 reading "Or from exercising or using rights under existing treaties or agreements to infringe upon the principles set forth in paragraphs 1 and 2". I told him that this provision, which was written in pencil on the draft, had not been approved and was merely a suggestion we were considering. He thought that its meaning was not clear and doubted its utility. The above comments were all on the understanding that the paper I showed him was a working draft not in final form and that his comments on it were personal. He asked me to let him have a copy of the paper so that he could consult his government in regard to it. I told him I would give him a copy tomorrow.

On the general situation in China and the question of recognition, Sir Alexander said that he had cabled London to postpone recognition at least until after the close of the Assembly. He thought it would present an extremely embarrassing situation if the British Government should recognize the Chinese Communists while the Assembly was going on. He thinks the whole question of seating representatives of Communist China is a very difficult one and he does not see the way to solve the difficulty. He agreed with me that it would be strange to allow Tsiang in the Security Council to veto a resolution seating a Communist representative and that therefore this would probably have to be considered a procedural question but he was by no means satisfied that the matter could be worked out easily if Tsiang tried to hold on to his seat. I explained to Sir Alexander our particular difficulties arising from the Ward case and the other actions of the Communists directed against the United States. He seemed to appreciate this situation. He remarked that it seemed unlikely that there would be any halt in the progress of the Chinese Communists. He expressed a good deal of admiration for the efficiency with which they had been able to move their troops and get control of the country. He recalled that Mao-Tse-Tung and Chou-En-Lai, who had accomplished this, were people who were scorned and had no standing or backing when he was in China.

On the whole, I had the distinct impression that Sir Alexander was rather sympathetic with our point of view on delaying recognition while feeling that it must be extended fairly soon by the United Kingdom Government because of their broad interest in China. I referred to the effect which early recognition would have on South East Asia, to which he replied that this matter was considered at the Singapore Conference and that they felt it would not cause much difficulty. When I questioned him, however, he admitted it would raise serious problems in Burma and Indochina.

501.A Summaries/11-1149: Telegram

*The United States Representative at the United Nations (Austin) to
the Acting Secretary of State*

[Extract]

NEW YORK, November 11, 1949—2:15 a. m.

1332.

CHINESE CASE

The opinion that the US-suggested resolution on the Chinese case was along the right lines was expressed by Cadogan (UK). However, he felt there would have to be changes in the language.

Hood (Australia) indicated that he felt a general Chinese case resolution, along the lines outlined by USGADel, might be a very useful way to handle the item.

AUSTIN

IO Files: US/A/C.1/1766¹

United States Delegation Working Paper

SECRET

[NEW YORK, November 10, 1949.]

TENTATIVE RESOLUTION FOR USE IN CHINA CASE

Whereas the peoples of the United Nations have expressed in the Charter of the United Nations their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security, and to that end the members of the United Nations have obligated themselves to carry out the purposes and principles set forth in the Charter, and

Whereas it is a purpose of the United Nations to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and

Whereas the organization of the United Nations is based on the principle of the sovereign equality of all its members, and

¹ For internal purposes there was one documentation system at New York, as the secretariat of the U.S. Mission at the United Nations (USUN) also serviced the U.S. Delegation to any given General Assembly (the "US" series). The date appearing with the symbol US/A/C.1/1766 on this paper is November 17, 1949, indicating the day on which the paper was formally inscribed in this particular documentary series. It is inserted here however as being a more appropriate place.

Mindful of the threat to the stability of international relations in the Far East created by civil strife in China,

The General Assembly

Calls upon all States:

(1) to respect the sovereignty of China and to refrain from the threat or use of force against its territorial integrity or political independence;

(2) to respect the right of the Chinese people now and in the future to choose freely their political institutions and to maintain a government independent of foreign control; and

(3) to refrain from (a) seeking to acquire spheres of influence or to create foreign controlled regimes within the territory of China, (b) seeking to obtain special rights or privileges anywhere in the territory of China, [or (c) from exercising or using rights under existing treaties or agreements to infringe upon principles set forth in paragraphs (1) and (2).]"

501.A Summaries/11-1249: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, November 12, 1949—12:40 a. m.

1336.

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CHINESE CASE

Although his Government took the contrary view, Tsiang (China) revealed Nov 11 that he has come to the conclusion that his delegation should introduce a resolution on the Chinese case. The Governmental view, he said, was due to the acceptance of an old Chinese custom of politeness whereby one of the parties to a dispute never suggested what solution he desired, but always turned to third parties to ask them to suggest what should be done. Tsiang does not share this approach.

Tsiang showed USGADel a handwritten draft containing three paras: 1) A finding by the GA that the USSR, through preventing the Chinese Government from taking over in Manchuria and in other ways, had violated the UN Charter and the Sino-Soviet Treaty; 2) A provision, similar to the US tentative draft, that the independence of China should be respected and that no State should take advantage of the Chinese situation for its own purposes; 3) A paragraph calling

upon all states to refrain from giving military or economic aid to the Communists.

Asked whether he construed the third para to mean that recognition could not be extended to the Communist regime, Tsiang said he did not so interpret it. To avoid this, he had used the words "military or economic aid". He replied with great assurance that he thought the GA would adopt such a resolution.

While Tsiang had not talked to many delegates himself, the reports from his Government indicated that most LA states would be prepared to support such a draft. He mentioned Chile and Cuba as being ready to give strong support. The Egyptian Government had promised to support and to get the other Arab states to follow suit, Tsiang said, adding that he had not shown the draft to anyone else in NY. He asked whether US support would be forthcoming, and promised to provide a copy of his draft Nov. 14.

Discussing the draft of the Chinese statement on the case, Tsiang said he had decided to eliminate all reference to exhibits, photographs, etc. His Government had planned to send a special plane with captured rifles and other exhibits, but he had dissuaded them from doing so on the ground that there was no way in which the authenticity of the exhibits could be proved to the GA. He said he had received from China supplemental materials on the current Soviet arrangements in Chinese Turkestan; the Russians were going farther there than in Manchuria, arranging for both the rights of exploitation of existing mines, etc., and rights of exploration of presently undeveloped resources.

After USGADel had outlined the general nature of a resolution based on the Nine-Power Treaty, Chauvel (France) said he would be able to support a proposal along this line. If GA debate tended to focus on the differences of opinion between the Soviets and the Chinese regarding interpretation of the treaty, Chauvel agreed that the view might be taken that the GA was not the proper forum for this phase but that the parties might take the case to the ICJ or some other judicial body.

However, Chauvel was definitely opposed to GA action which would actually submit the case to the Court, as by a request for an advisory opinion. Basdevant, President of the Court, had informed Chauvel of the difficulties in determining which Chinese Governmental authorities should be entitled to appear before the Court. He felt this difficulty would not arise if the parties agreed to transmit the case, but recognized the parties almost certainly would not do so.

501.BB/11-1249 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

NEW YORK, November 12, 1949—10:26 a. m.

Delga 211. Re Jessup's conversation with Tsiang reported mytel 1336, November 12, following is text of resolution which Tsiang proposes to introduce :

"The GA

(1) *Finds* that the USSR, by obstructing the efforts of the National Government of China in reestablishing its administrative authority in Manchuria and by giving military and economic aid to the Chinese Communists in their insurrection against the National Government, has violated the Charter of the UN and the Sino-Soviet Treaty of Friendship and Alliance of 1945.

(2) *Recommends* to all member states to refrain from exploiting the present political crisis in China for any purpose which is incompatible with the political independence and territorial and administrative integrity of China, and

(3) *Recommends* further to all member states to desist and refrain from giving military and economic aid to the Chinese Communists."

AUSTIN

501.BB/11-1449 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

NEW YORK, November 14, 1949—6:49 p. m.

Delga 221. At meeting of China working group this morning, attended by Butterworth,¹ it was decided to sound out more definitively other delegations chiefly concerned before submitting to Department our final recommendation as to strategy for handling China case. Since acid test of our proposed resolution may be whether or not other powers will co-sponsor, it was agreed specific inquiry on this point should be made of six delegations among which we believe most desirable co-sponsors might be found, i.e., India, Pakistan, Australia, Philippines, Belgium and Mexico. Text also being shown to French and New Zealanders. In all these cases, it will be emphasized that we have not yet decided whether resolution along these lines should be presented but are seeking their views and reactions. All are being asked to hold draft in strictest confidence.

¹ W. Walton Butterworth, Assistant Secretary of State for Far Eastern Affairs.

Cadogan with whom resolution was discussed November 10 has not received views of his Government. We hope to have better consensus of GA sentiment by Wednesday when Jessup will be in Washington.

AUSTIN

501.A Summaries/11-1449 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET
1342.

NEW YORK, November 14, 1949—11:30 p. m.

CHINESE CASE

After carefully reading the US-suggested resolution in the Chinese case, GA President Romulo said that he could go along with the ideas expressed therein. He thought he would like to join in sponsoring such a proposal should that action become desirable, but said he would have to obtain the instructions of his Government.

Rau (India) promised to consider the possibilities of co-sponsorship of such a proposal.

AUSTIN

501.A Summaries/11-1649 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET
1345.

NEW YORK, November 16, 1949—1:20 a. m.

CHINESE CASE

A Chinese case resolution, along US-suggested lines, was personally approved by Padilla Nervo (Mexico). He told USGADel he would strongly recommend to his Foreign Office that Mexico join in the sponsorship.

Makin (Australia) showed interest in the US-suggested resolution but said that this matter should be discussed with Hood (Australia). He commented that Australia would probably wait to see what the

US would do before deciding whether to recognize the Chinese Communists.

Expressing some misgivings over US policy in Japan, Makin indicated the belief that the US was planning to build up Japan as a counterweight to a Communist China. He felt that if this should happen, Japan would use its increased strength for its own ends.

While Berendsen (New Zealand) showed no particular enthusiasm for the US-suggested draft, he conceded it might be the most convincing way "to get US off the hook".

Ordonneau (France) indicated that his delegation was thinking along the line of reference of the Chinese question to the ICJ.

Rahim (Pakistan) thought it was unlikely that his delegation would be able to join in sponsorship of a resolution along the lines suggested by the US.

AUSTIN

501.A Summaries/11-1749: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, November 17, 1949—12:50 a. m.

1349.

CHINESE QUESTION

In the course of a general conversation, Kyrou (Greece) indicated that GA President Romulo (Philippines) had mentioned the possibility at a meeting of chairmen of committees of a postponement of the Chinese case until the next GA. Kyrou seemed to favor the idea of postponement, remarking he could see nothing that the current GA might do about China which would serve any useful purpose.

Cordier (Secretariat) later told USGADel the Chinese item had come up "spontaneously" at the meeting of the committee chairmen and the general feeling was that the question should be postponed until next year. Cordier thought the general sentiment in the GA was opposed to considering the Chinese item at the current session, yet he knew of no one who would take the initiative in moving its deferment. Romulo has already expressed himself, Cordier added, as being unhappy about discussing the Chinese case at this assembly.

Shown the suggested US draft resolution on China, Hood (Australia) stated he was tentatively authorized to say that Australia

would be willing to co-sponsor such a resolution with the US. He promised to study the text and comment on it later.

Shanahan (New Zealand) was confident that his delegation would go along with the tentative US draft although he had doubts about operative para 1 and 3-b, and felt 3-c should not be included.

The opinion that the tentative US proposal was a good idea and that he would be able to support it was expressed by Chauvel (France).

Stating that Tsiang (China) had asked him to canvass LA opinion on the Chinese item, including the proposed Chinese resolution, Pao (China) said he had secured the support of 14 LA states and added he was hopeful of GA passage of Tsiang's resolution.

AUSTIN

501.BB/11-1849 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET

NEW YORK, November 18, 1949—8:15 p. m.

Delga 230. Following are decisions taken at DelGA meeting today:

China: Status of consultations with other delegations on Chinese case described, and direction of present US thinking, both as regards Tsiang draft resolution and US draft (US/A/C.-1/1766),¹ explained to delegation.

Delegation agreed that US could not support Chinese draft resolution but it deferred decision as to tactics to be followed with Tsiang and in First Committee if Tsiang submitted his resolution, deciding only that US resolution should be tabled after China presented case and after Soviet representative had spoken. After explanation that some delegations favored postponement of Chinese item, it was agreed we should indicate in conversations with other delegations our strong view China should be given hearing at this session, thereby making clear our general opposition to postponement. Delegation also decided present limited consultations should be continued and authorized Ambassador Jessup, in his discretion, to extend consultations to wider group, depending upon receipt of reactions of those delegations which we had invited to co-sponsor resolution and/or possible press leak of US position. Matter will be brought back to delegation for further consideration as to tactics in committee and with Tsiang when results of consultations are clearer.

AUSTIN

¹ For the U.S. draft resolution, see p. 207.

501.A Summaries/11-2249 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, November 22, 1949—12:10 a. m.

1360.

CHINESE CASE

At USGADel's suggestion Sunde (Norway) agreed to take up with his Foreign Minister the question of Norwegian co-sponsorship of the US-suggested resolution on the Chinese case. He was advised that Pakistan, Australia and Mexico had agreed to be co-sponsors and that Belgium and Denmark had declined.

Padilla Nervo (Mexico) said that his Foreign Minister had authorized him to join in sponsorship on the condition that the co-sponsors did not include a state which had broken relations with the USSR.

The Danish delegation had decided unanimously it should not recommend that Denmark serve as a co-sponsor, Borberg (Denmark) reported. He pointed out that in spite of the "neutral" language in the resolution the general circumstances under which it would be tabled would make it appear to be directed against the USSR. It was clear that the Danish delegation was following its traditional policy of keeping aloof from the cold war.

Borberg observed that the Danish view on recognition of the Chinese Communists was much closer to the UK position than to that of the US. However, he did not exclude the possibility of Denmark voting for the resolution, explaining that the delegation had not taken a final decision.

A cable from London raised doubts about the whole last para of the US-suggested resolution, Cadogan (UK) explained. The Foreign Office, he said, apparently feared that it would provoke a debate on the UK's rights in Hongkong. The cable did not give a final answer on the resolution and Cadogan hoped to get later word. He thought that the British definitely would not hold aloof from the debate but would be prepared to say something at some stage.

Atyeo (Australia) reported that his delegation had been instructed to oppose an invitation for the Chinese Communists to be heard on the Chinese case in Committee 1.

AUSTIN

501.A Summaries/11-2349: Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

[Extract]

NEW YORK, November 23, 1949—2:10 a. m.

1364.

CHINESE CASE

After examining the US-suggested resolution on China, Tsiang (China) remarked it was disappointing to him and he had hoped the US could at least include his last para, which called upon the states not to give political or economic aid to the Communists. It was pointed out that inclusion of such a para would immediately eliminate the co-sponsors. After further discussion of the likely effect if Tsiang also tabled a resolution, he agreed to consider including in his statement some reference to what he hoped the GA would do without actually tabling his planned draft.

In reference to Russian tactics, Tsiang believed the Soviets would not refuse to participate in the debate but admitted the possibility that they might try some preliminary maneuver to bar him. He doubted the Soviets would try to seat a delegation of the Communist regime although he did not exclude this possibility. Tsiang thought it possible that the Soviets would take the matter up with President Romulo before the debate begins in Committee 1 and request action in the GC or in the Credentials Committee.

Lange (Norway) said he "doubted very much" that his delegation could join in sponsoring the US draft. He added that his Government is identifying itself with British policy on the matter of recognizing the Communist Government of China, and that Norway had very large shipping interests in China.

Final word about the possibility of the Philippines agreeing to be a co-sponsor of the US draft had not been received from his government, Lopez (Philippines) told USGADel.

Plimsoll (Australia) said that while his delegation accepted the substance of paras 3(a) and (b), he reserved the right to suggest changes in phraseology.

India will support the US-suggested resolution but cannot co-sponsor it, Rau (India) told USGADel. He added that apparently there had been some change in his Government's views because it had now decided to recognize the Chinese Communist regime sometime between the 15th and the end of December. Told of the understanding that the UK did not now expect to recognize this regime until about

the first of the year, Rau indicated surprise and gave the impression he thought the Indian position was probably responsive to a parallel British attitude.

Following a study of the US draft, Broustra (France) questioned the advisability of the last para of the preamble and of point 3 of the operative portion, stating the latter seemed to him to apply to British tenure of Hong Kong.

AUSTIN

501.BB/11-2349 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

NEW YORK, November 23, 1949—12:34 p. m.

Delga 235. Following is agreed text proposed resolution on China to be sponsored by Australia, Mexico, Philippines, Pakistan and US:

"Whereas the peoples of the UN have expressed in the Charter of the UN their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security, and to that end the members of the UN have obligated themselves to carry out the purposes and principles set forth in the Charter, and

Whereas it is a purpose of the UN to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and

Whereas the organization of the UN is based on the principle of the sovereign equality of all its members, and

Desiring to promote the stability of international relations in the Far East,

The GA,

Calls upon all states:

(1) *To respect* the sovereignty of China and to refrain from the threat or use of force against its territorial integrity or political independence;

(2) *To respect* the right of the Chinese people now and in the future to choose freely their political institutions and to maintain a government independent of foreign control; and

(3) *To refrain* from (a) seeking to acquire spheres of influence or to create foreign-controlled regimes within the territory of China, (b) seeking to obtain special rights or privileges anywhere in the territory of China."

Australian Delegation has reserved right suggest later possible changes in language of paragraph 3.

AUSTIN

501.A Summaries/11-2449 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

[Extract]

SECRET

NEW YORK, November 24, 1949—12:25 a. m.

1366.

CHINESE CASE

Spokesmen for Venezuela, Peru, Panama, Ecuador, and Colombia disclosed to USGADel that they liked the US-suggested approach to the Chinese case. Belaunde (Peru) and Londoño y Londoño (Colombia) indicated that they would support the US-suggested resolution. Stolk (Venezuela) said he would have to wait and see what the Chinese had to say before committing himself.

Kyrou (Greece) expressed the opinion that a resolution along US-suggested lines was the only kind which had much possibility of being approved.

El-Khouri (Syria) confided to USGADel that his instructions were not to criticize either the US or the USSR in word or vote. He said he did not get instructions on particular issues and voted often with the US or abstained. This placed him in a worse position than the Israeli delegation, which had at least put the burden of responsibility on its Foreign Office, while he had to decide in a vacuum.

AUSTIN

501.BB/11-2449 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

NEW YORK, November 24, 1949—9:05 p. m.

Delga 237. For Rusk from Jessup. McNeil informed us today that at meeting of British Commonwealth representatives here yesterday, it was unanimously agreed that proposed resolution on China case was "bad tactics and unadvisable". McNeil expressed particular objection to adverse effect which third paragraph might have on Hong Kong. He took position there should be no resolution but simply debate. He stated his instructions from London were to abstain in vote on such a resolution, but that "we would line up with you people in the debate".

He reported that Pakistan was especially strongly opposed to resolution and that Australia, while it would honor its commitment to co-sponsor, agreed resolution was inadvisable. He stated Lange of Norway shared same views.

In subsequent conversations, Rahim of Pakistan and Hood of Australia confirmed outcome of Commonwealth meeting, stated they would honor their commitment to co-sponsor if we so desired, but indicated they preferred we reconsider. Hood stated specifically he might, after further consultation with British and with his own Government, have to request US to leave them out.

Only concrete objection to terms of resolution expressed by any Commonwealth representative is possible adverse effect on Hong Kong of paragraph (3) and of phrase "to respect the sovereignty of China" in paragraph (1). Broustra of France also expressed to us doubts about third paragraph. Hood suggested the word "rights" in second paragraph should be in the singular. I have not had opportunity to talk personally to McNeil or other Commonwealth representatives, but hope to do so this evening.

As you know, we asked UK 10 days ago for their reaction to proposed resolution and they vouchsafed no reply until they learned two members of Commonwealth had agreed to co-sponsor. Thereupon they apparently gave Commonwealth representatives thorough working over before discussing question with USDel.

Though Hong Kong difficulty is only one which UK cites there are doubtless others which affect their thinking. It occurs to us that they may consider paragraph (3)(b) would interfere with commercial arrangements which they may contemplate.

In any case, split between US and UK on China case raises serious problem which I hope you will consider urgently. Present indications are that Committee 1 will complete action on essentials of peace resolution tomorrow morning and turn to Chinese case in afternoon session. However, Tsiang's proposed opening statement is so lengthy that, regardless of what Soviet behavior may be, we would not anticipate that US need speak before Saturday morning.

We have considered possible revisions of draft resolution to meet objections which Commonwealth representatives have brought up and suggest following text of numbered paragraphs for your consideration.

"(1) To respect the right of Chinese people now and in future to choose freely their political institutions and to maintain a government independent of foreign control;

(2) To refrain from threat or use of force against territorial integrity or political independence or sovereignty of China;

(3) To refrain from seeking to acquire spheres of influence or to create foreign controlled regimes within the territory of China."

Pending further conversations with McNeil and Commonwealth representatives, I am still inclined to feel that our resolution, perhaps as revised above, will obtain support of two-thirds of Assembly, including Commonwealth even if not UK delegations, and is best means of dealing with China case. [Jessup.]¹

AUSTIN

¹ Close consultation was continued on November 25 and November 26 between the U.S. and other co-sponsors of the proposed resolution, as to the most acceptable draft. A revised draft was considered briefly on November 26 but never used.

501.A Summaries/11-2649 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

[Extract]

NEW YORK, November 26, 1949—1:00 a. m.

1374.

COMMITTEE 1 (338TH MEETING)¹

SUMMARY

Debate on the Chinese item opened in Committee 1 on the afternoon of Nov. 25, with the USSR, Ukraine, Poland, Byelorussia, and Czechoslovakia declaring they would not take part in the debate. The item, they held, was "slander" introduced by a clique which no longer represented China; they would not take account of any decisions taken. Yugoslavia also indicated it did not recognize the present Chinese delegation as representing China, and suggested a prior decision on this question, but Chairman Pearson (Canada) ruled the credentials of the Delegation were not in question.

Tsiang (China) read a 60-page statement, concluding with the hope 1) for a GA moral judgment on the Soviet Union for obstructing his Government's efforts to reestablish authority in Manchuria and for giving military-economic aid to the Communists; 2) for recognition by the GA "that the cause of China's political independence and territorial integrity is a cause common to all the peoples of the world"; 3) for a GA recommendation "to all member states to desist and refrain from giving further military and economic aid to the Chinese Communists"; and 4) that no GA member accord recognition to the Com-

¹ For complete record, see United Nations, *Official Records of the General Assembly, Fourth Session, First Committee*, pp. 339 ff. (Hereafter cited as GA (IV), *First Committee*.)

munist regime (this last point was apparently an interpolation; it did not appear in the text).

AUSTIN

501.BB/11-2649 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

NEW YORK, November 26, 1949—1:50 p. m.

Delga 242. Following is text of draft resolution tabled by China today:

"The General Assembly

"Considering that it is the first purpose of the United Nations to maintain international peace and security and to that end, to take effective collective measures for the prevention and removal of threats to peace, and for the suppression of acts of aggression or other breaches of the peace;

"Being of the opinion that the present crisis in China is in part due to China's sacrifices in the long resistance against Axis aggression in common with other freedom-loving nations;

"Finding that the USSR has persistently obstructed the efforts of the National Government of China in reestablishing China's national authority in the north-eastern provinces (Manchuria) since the surrender of Japan and given military and economic aid to the Chinese Communists in their insurrection against the National Government of China;

"Determines that the USSR has, by obstructing the National Government of China and by giving aid to the Chinese Communists, violated the Charter of the UN and the Treaty of Friendship and Alliance Between China and the USSR of August 14, 1945;

"Urges all member states to desist and refrain from giving any military and economic aid to the Chinese Communists; recommends to all member states not be [to?] accord diplomatic recognition to any regime organized by the Chinese Communists; and

"Calls upon all member states to refrain from taking advantage of the present situation in China for any purpose that is incompatible with the political independence and territorial and administrative integrity of China."¹

AUSTIN

¹ In the UN Secretariat's serialization of First Committee documents, this Chinese draft resolution became UN Doc. A/C.1/551.

501.BB/11-2749 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

CONFIDENTIAL

NEW YORK, November 27, 1949—5:11 p. m.

Delga 248. Following is text of draft resolution on Chinese item which has been agreed to by delegations of Australia and Philippines. We are hopeful that as soon as delegations of Pakistan and Mexico are reached today they likewise will agree. We are informed by Plimsoll of Australia that he has yet not heard from UK delegation on this text though he was not unhopeful that text would be agreeable to UK.

"Whereas peoples of UN have expressed in Charter of UN their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security, and to that end members of UN have obligated themselves to carry out purposes and principles set forth in Charter, and,

"Whereas it is purpose of UN to develop friendly relations among nations based on respect for principles of equal rights and self-determination of peoples,

"Whereas organization of UN is based on principle of sovereign equality of all its members and on respect for international agreements,

"Whereas Charter calls upon all members to refrain in their international relations from threat or use of force against territorial integrity or political independence of any state, or in any other manner inconsistent with purposes of UN, and,

"Desiring to promote stability of international relations in Far East,

"General Assembly

"Calls upon all states:

"(1) To respect political independence of China and to be guided by principles of UN in their relations with China;

"(2) To respect right of people of China now and in future to choose freely their political institutions and to maintain government independent of foreign control;

"(3) To respect existing treaties relating to China;

"(4) To refrain from (a) seeking to acquire spheres of influence or to create foreign controlled regimes within territory of China, (b) seeking to obtain special rights or privileges within territory of China."¹

AUSTIN

¹ On November 28 the U.S. Delegation was informed of United Kingdom and other delegation support for this text (telegram 1379, from New York, November 29, not printed, 501.A Summaries/11-2949). Upon communication to the United Nations Secretariat, the draft was inscribed in UN documentation as UN Doc. A/C.1/552; see GA (IV), *First Committee, Annex*, p. 37.

501.A Summaries/11-2949 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

NEW YORK, November 29, 1949—12:45 a. m.

1378.

COMMITTEE 1 (339TH MEETING)¹

SUMMARY

The joint US-Australia-Mexico-Pakistan-Philippines resolution on "Promotion of the Stability of International Relations in the Far East" (A/C.1/552) was presented by Jessup in Committee 1 Nov. 28. In his accompanying statement, Jessup suggested referral to the ICJ of the question of violations of the Sino-Soviet Treaty.

Australia, Greece, Venezuela and Belgium also spoke, the last-named taking a strong position and reserving judgment as between the two resolutions. Tsiang (China) said the joint resolution covered the last point of his resolution, and insisted on a decision on the other three points. The Committee voted, on Brazil's motion, to adjourn pending completion of the "essentials of peace" item in Plenary.

AUSTIN

¹ For complete record, see GA (IV), *First Committee*, pp. 347 ff.

501.BB/11-2949 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

WASHINGTON, November 29, 1949—6 p. m.

Gadel 117. In light possibility that res tabled by China in Chinese case may be brought to vote either separately or as amendments to joint res, fol are Dept's gen views for your guidance:

1. US Del shld continue its support joint Austral-Mex-Pak-Phil-US res and oppose Chinese res.

2. US Del shld make every effort act in concert with other co-sponsors.

3. US Del shld attempt get joint res voted on prior to Chinese res and shld make every effort dissuade Chinese from bringing their res to vote either separately or as amendments to joint res.

4. If joint res is brought to vote first, but Chinese nevertheless seek vote on their res, attempt shld be made to have Chairman rule that vote on Chinese res unnecessary in light passage of joint res. If Chairman so rules, US Del shld vote to support his ruling.

5. If Chinese offer all or part of their res as amendments to joint res, US Del shld vote against such amendments on fol grounds:

(a) Joint res represents maximum area of agreement in GA as evidenced by express support therefor and is designed to mobilize world opinion for protection Chinese people.

(b) US unwilling support amendments to joint res without agreement of all co-sponsors.

(c) Undesirable for GA to draw the type of factual and legal conclusions which are more appropriate for ICJ.

(d) Inappropriate for GA adopt res re recognition policy which is primarily matter for determination by national govts.

In event Chinese insist on offering all or part of their res as amendments to joint res, it wld be desirable if co-sponsor other than US shld take lead in speaking against such amendments.

WEBB

501.A Summaries/11-3049: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, November 30, 1949—3 a. m.

1382.

CHINESE CASE

In conversation with USGADel, Tsiang (China) urged US support for parts of his resolution on the Chinese case, feeling it was not inconsistent with the joint proposal. He urged, in particular, a favorable vote on the military and economic aid para.

Commenting on the possibility of Titoism developing in Communist China, Tsiang stated that the Russians were no longer trusting to anything short of strong material guarantees. He believed that Soviet control of Manchuria, from which the Communists must draw most of their foodstuffs, provided Moscow with this type of material guarantee.

In reply to Jessup's query, Tsiang stated that the best way to increase the dissatisfaction of the Chinese people with the Communist regime would be to withhold economic resources. The reputation of

the Communists would depend on whether there would be good or bad harvests. While the Communists would have nothing to do with either of these results, they would be judged by them and the resulting effect on the individual ricebowl, he said.

Jayanama (Thailand) said he planned to abstain on the Chinese resolution and to support the joint proposal. He said other representatives with whom he had discussed the question planned to follow a similar line. He mentioned specifically Liberia.

Spokesmen for Norway, Denmark and Luxembourg disclosed that they could support the joint resolution. Jordaan (South Africa) thought he would be able to support it although he did not have final instructions. While somewhat critical of the US speech, Berendsen (New Zealand) indicated he would probably be able to support the joint resolution.

Laskey (UK) expressed concern about the Chinese resolution. The UK, he said, had Meade out canvassing the LA delegations to be sure that there would be support for the joint resolution and that there was not wide sentiment for the Chinese proposal. His theory was that Cadogan (UK) should try to dissuade Tsiang from insisting on a vote.

In the opinion of Carter (Canada), his delegation would have no trouble in voting against the Chinese resolution.

The UK, Laskey said, was very much concerned and embarrassed over the thought that after it had recognized the Communist regime and perhaps 18 other states had followed its example, the Russians might present the Communist claim for a SC seat. Presumably, he added, the US and perhaps France would not have recognized the Communist government. That would place the UK in the unfortunate position of joining forces with the USSR. In order to avoid this, the UK had been thinking in terms of a unified recognition policy for the UN. It had occurred to the UK, he explained, that the SYG might canvass the UN membership and that there might be some sort of understanding that until a majority, or perhaps 30 members, were in favor of seating the Chinese Communists, the present delegation should continue to sit.

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AUSTIN

501.A Summaries/12-149 : Telegram

*The United States Representative at the United Nations (Austin)
to the Secretary of State*

[Extract]

SECRET

NEW YORK, December 1, 1949—2:55 a. m.

1386.

CHINESE CASE

Sponsors of the Five-State Resolution on China agreed Nov. 30 that efforts should be made to have the joint draft voted first. It was hoped it would then be unnecessary to vote on the Chinese proposal. It was also agreed that the co-sponsors would vote against all paras of Tsiang's (China) resolution whether offered independently or as amendments to the joint draft.

There was general concurrence also that the co-sponsors would oppose reference of the case to the IC or to any special investigating committee. Mexico expected to address the Dec. 1st p. m. meeting of Committee 1 with Pakistan speaking at the Dec. 2 a. m. meeting.

Arce (Argentina) planned to vote in favor of the joint resolution, against the non-recognition para of Tsiang's proposal, and to abstain on all other paras of the latter resolution.

His instructions, McNeil (UK) told USGADel, were to vote against the recognition para in the Chinese resolution and to abstain on the others if put separately. After further discussion, he agreed to support voting on the joint resolution first and to vote against all paras of the Chinese resolution, adding it could be considered settled that the UK would take the same line as the US. McNeil added he was leaving for England Dec. 2.

Pearson (Canada) said his delegation would vote against the para in the Chinese resolution regarding recognition and abstain on the others, but was prepared to vote against the resolution as a whole. He agreed to reconsider the Canadian position, however, about voting against all parts of the Chinese proposal.

If some paras of Tsiang's resolution were moved as amendments to the joint draft, Padilla Nervo (Mexico) said, they would probably obtain an appreciable number of votes unless the co-sponsors of the joint resolution made clear their objection in advance. Later, Stolk

(Venezuela) assured USGADel of his support for the joint proposal and said he would not suggest any formal amendment.

Menon (India) favored the idea of a vote on the joint resolution prior to deciding on the Chinese draft. He felt there was a very strong case for not pressing the Chinese resolution to a vote since there was no evidence of support for it.

Also favoring a prior vote on the joint draft, Kural (Turkey) said his delegation would support a motion to that effect. He thought that this tactic might result in China not pressing its resolution after the vote on the joint text.

France intended to support the joint draft, vote against the Chinese resolution as a whole and against the para regarding recognition, Ordonneau (France) told USGADel, adding Chauvel (France) had not yet decided how to vote on the other paras of the Chinese resolution. Ordonneau also said he would support a motion to vote on the joint resolution first as well as a move for a ruling to the effect that no vote should be taken on the Chinese resolution.

Sunde (Norway) said his delegation would vote against the recognition para of the Chinese draft and if it remained in the resolution, would vote against the text as a whole—otherwise, they planned to abstain non [*on?*] the proposal as a whole. Thors (Iceland) stated he planned to abstain on the Chinese draft or possibly vote against it.

From Corner (New Zealand), USGADel learned that Berendsen (New Zealand) planned to speak in favor of the Chinese draft and to vote for all of it except the last two paras (recognition and aid). Both Corner and Plimsoll (Australia) intended to attempt to dissuade Berendsen from making such a statement.

Support for a motion to vote first on the joint resolution as well as for a move not to vote on the Chinese draft was expressed by Grafstrom (Sweden). He planned to vote for the joint text and agreed it would be most desirable if the Chinese would not press their text.

In separate conversations regarding the Chinese draft, representatives of Liberia, Lebanon, Saudi Arabia, Egypt, Yemen, Iran, Turkey and Iraq all announced the intention either to abstain or vote against.

Because of the large Chinese element in the population of Thailand, Jayanama (Thailand) said he would abstain on the Chinese resolution if it came to a vote in any form.

Stating he had received strict instructions to stay out of any debate on the Chinese item, U So Nyun (Burma) said he would abstain on the Chinese text and vote in favor of the joint resolution.

His delegation was under instructions to abstain on everything pertaining to the Chinese case, Fack (Netherlands) told USGADel, but added it had asked for a change of instructions to allow a favorable vote for the joint resolution.

Zafrulla (Pakistan) told USGADel he would give serious consideration to voting against the Chinese draft rather than abstaining.

From Tranos (Greece) USGADel learned that Kyrou (Greece) planned to support both the joint and the Chinese resolutions.

AUSTIN

501.A Summaries/12-449: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET

NEW YORK, December 4, 1949—8:40 p. m.

1397.

CHINESE CASE

Co-sponsors of the joint resolution on the Chinese case decided unanimously against acceptance of Chinese-suggested amendments. They also agreed that Tsiang's (China) suggested revision of his resolution would not change their position on voting against the resolution as a whole.¹ When informed of these decisions and Jessup's view that it would be advisable to concentrate on the joint draft, Tsiang remarked, "Well, I guess that is the only way". However, he did not indicate whether this signified that he would withdraw his resolution.

In an earlier conversation, Tsiang indicated that if the suggested revisions were unacceptable, he would go ahead with his original resolution. He reiterated that if the Chinese resolution were defeated in the Committee and the joint resolution were approved, he would not re-introduce his proposal in the Plenary. However, he said he would have to abstain on the joint resolution in the Plenary.

Yu (China), who attended the LA caucus on the Chinese case, confirmed that no definite decisions were taken.

AUSTIN

¹ In Delga 265, December 2, the Department was informed of certain amendments which Tsiang proposed for the 5-Power joint resolution; if accepted, the Chinese would withdraw their resolution (501.BB/12-249). In Delga 267, December 3, the U.S. Delegation reported Chinese proposals for revision of their own resolution (501.BB/12-349). In respect of both developments close consultation was maintained between the U.S. and other delegations co-sponsoring the joint resolution.

501.A Summaries/12-549: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

NEW YORK, December 5, 1949—10:15 p. m.

1401.

COMMITTEE 1 (342ND MEETING)¹

SUMMARY

A resolution to refer the Chinese case to the IC for "continuous examination and study" as well as recommendations to the 5th GA was introduced in the Committee Dec. 5 by Cuba, Ecuador and Peru.² Tsiang (China) accepted the three-state draft with the understanding it would entail transmittal of his own resolution plus accusations against the USSR to the IC. Jessup, Plimsoll (Australia) and Padilla Nervo (Mexico) continued to favor the joint resolution of Australia, Mexico, Pakistan, Philippines and the US as the most appropriate and constructive move for the current GA. The Committee approved without formal vote a Venezuelan-French-Chilean suggestion to cancel the scheduled afternoon meeting and Acting Chairman Sarper (Turkey) said discussion would be resumed Dec. 6 and [at] 10:45 a. m.

AUSTIN

¹ For complete record, see GA (IV), *First Committee*, pp. 359 ff.

² This became UN Doc. A/C.1/553, and read as follows:

"Considering that item 68 regarding 'threats to the political independence and territorial integrity of China and to the peace of the Far East, resulting from Soviet violations of the Sino-Soviet Treaty of Friendship and Alliance of 14 August 1945, and from Soviet violations of the Charter of the United Nations' is of special importance, involves the fundamental principles of the Charter and prestige of the United Nations, and requires further examination and study;

The General Assembly

Decides to refer it to the Interim Committee of the General Assembly for continuous examination and study, and to report to the next session of the General Assembly with recommendations." (GA (IV), *First Committee, Annex*, p. 37)

501.BB/12-549: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

CONFIDENTIAL

NEW YORK, December 5, 1949—10:26 p. m.

Delga 275. Following is revised version of Cuba-Ecuador-Peru resolution on Chinese item which representatives of Mexico, Philip-

pires, Pakistan and US agreed *ad referendum* they could probably support, provided Tsiang would agree not to press for vote on his resolution:¹

"Considering that item 68 regarding 'threats to the political independence and territorial integrity of China and to the peace of the Far East, resulting from Soviet violations of the Sino-Soviet Treaty of Friendship and Alliance of 14 August 1945, and from Soviet violations of the Charter of the UN' is of special importance, and involves the fundamental principles of the Charter, and

"Considering further the resolution on 'promotion of the stability of international relations in the Far East',

"The GA,

"Authorizes the IC of the GA, if it decides that such action would promote the stability of international relations in the Far East, to examine any violation of the principles contained in that resolution."

AUSTIN

¹ This draft became known as "the Philippines amendment" and became UN Doc. A/C.1/554; see GA (IV), *First Committee, Annex*, p. 37.

IO Files : US/A/M (Chr)/131

Minutes of the Thirty-seventh Meeting of the United States Delegation to the General Assembly, New York, December 6, 1949, 9:00 a. m.

SECRET

[Here follows list of persons (43) present and discussion of the first agenda item.]

2. *China* (A/C.1/551, 552 and 553)¹

Mr. Yost, summarizing the general status of the Chinese case, indicated that our joint resolution² had obtained wide general support and would undoubtedly be adopted. There were still certain difficulties regarding the disposition of the Chinese resolution, however. Many delegations showed considerable reluctance to vote against the Chinese resolution without offering any concessions to China. As a result of this feeling, a new resolution had been introduced the preceding day by Cuba, Ecuador, and Peru.³ Under this resolution, the Chinese charges against the Soviet Union would be referred to the Interim Committee for continuous examination and study, and for report to

¹ These UN documents contained the texts of the three draft resolutions on China, submitted by China, the five states, and the three American Republics, respectively.

² That is, Doc. A/C.1/552.

³ Doc. A/C.1/553.

the next Assembly session. The introduction of this resolution had come as a complete surprise. It immediately received considerable support, although the United States had stated that it could not support the resolution because it would charge the Interim Committee with a definite and clear duty of acting on the Chinese case and would keep the matter before the Assembly. We had begun to consider possible revisions of this new resolution which would refer to the joint resolution and would authorize the Interim Committee, if it should decide such action would promote the stability of conditions in the Far East, to examine any violation of the principles contained in our joint resolution.⁴ Two of the three co-sponsors had agreed to this change, and it was likely that a resolution revised along these lines could be adopted. In answer to a question from Ambassador Austin, Mr. Yost indicated that this procedure would not interfere with action on our own joint resolution, which would undoubtedly be passed by a sweeping majority. The Interim Committee reference, however, would provide a means for dealing with the Chinese resolution.

Ambassador Jessup emphasized the attitudes of the members of the Committee. There was a general reluctance to vote on the Chinese resolution because members did not wish to vote against it. Many would simply like to make a gesture of support for Tsiang, whom they liked personally. Turning to the matter of referring the Chinese case to the Interim Committee, Ambassador Jessup explained that the Department had felt it important for the Delegation to hold its present line and to keep faith with the co-sponsors of our own resolution. After a long discussion with the co-sponsors, three of them had agreed to support our suggested revision of the Interim Committee resolution,⁵ while Australia would either abstain or vote against the new resolution. In his view, the trouble with the new resolution referring the matter to the Interim Committee was that several delegates believed it was designed to tie the hands of all members of the Assembly until next year with respect to any question of recognition or aid to the Communists. This would cause future difficulties and would present the Interim Committee with a very unsatisfactory kind of case. Moreover, it would keep the Chinese matter in constant turmoil during the ensuing year. Under our proposed redraft, however, the Chinese could come to the Interim Committee and present their specific case at any time. Even in this frame of reference, however, he felt we should require a preliminary decision by the Interim Com-

⁴ This was in the form of an amendment to the Latin American resolution, submitted by the Philippines (Doc. A/C.1/554).

⁵ The "Interim Committee resolution" was the Latin American resolution (Doc. A/C.1/553); "our suggested revision" was the Philippines amendment to the Latin American resolution (Doc. A/C.1/554).

mittee to the effect that its consideration of the Chinese charges would promote the stability of international relations in the Far East.

Mr. Tate asked whether, under the revised resolution, the Interim Committee would study past or future violations of the Sino-Soviet treaties. Ambassador Jessup thought the resolution looked as if it were intended to cover prospective violations, but conceded that it could be interpreted to include past violations. Mr. Fahy considered that the Interim Committee resolution constituted an improvement over the situation which would result if only the United States joint resolution were adopted. He expressed the hope that the United States could support the new resolution. Senator Cooper asked whether it was believed the Chinese would actually present the case to the Interim Committee. Ambassador Jessup thought this was hard to say. The Chinese had hinted they might not press their case in the Interim Committee. They also wished to avoid having their own resolution voted down. Moreover, it was possible that events in China might move so rapidly that it might not be appropriate for them to go to the Interim Committee. Senator Cooper agreed with Mr. Fahy's general comments and said he favored adoption of both resolutions.

Mr. Cohen said he had been greatly impressed by Mr. Tate's remarks to the effect that the Interim Committee could deal with past violations. In his opinion, to refer this matter to a political body was really to make more difficult the working out of a consistent, constructive policy in the Far East for the future. Trying to protect ourselves from this effect by the provision that Interim Committee consideration was to be undertaken only after a decision that such action would promote stability in the Far East was only provoking a discussion, which would create as many difficulties as actual substantive discussion of the Chinese case. Obviously we were in a very difficult position, but reference to the Interim Committee was not certain to bring fruitful results or to contribute to a constructive policy in the future. Mrs. Roosevelt wondered whether the Interim Committee reference was not going to increase the bitterness of the Soviet Union, which was already bitter about the Chinese situation. Reference to the Committee might make it more difficult to get any meeting of minds, or any action in the future in which the Soviet Union would concur.

Mr. Yost explained that it was for these reasons that we had not been happy about the Interim Committee resolution, but he emphasized that there was a strong possibility because of opinions in the Committee that the three power resolution would have been adopted both by the Committee and the Plenary, so that it was vital for us to attempt to get the resolution into a less objectionable form. Mr. Cohen was concerned that the Interim Committee, in considering the China

case, would embarrass the over-all work which Ambassador Jessup was about to undertake in the Far East. Mr. Tate agreed that the resolution might result in undesirable agitation of past events in China.

Ambassador Jessup commented that the China case had been giving us trouble and would continue to do so. The Interim Committee would create more trouble. We felt it was undesirable to keep the Chinese situation agitated, but we had been convinced yesterday that the Interim Committee resolution was certain of adoption. He warned that the Delegation should be conscious of the public relations problem involved. Most delegates simply interpreted the role of the Interim Committee as a means for further study of the problem. Taking all these facts into consideration, Ambassador Jessup explained that the course just described appeared to be the best way to deal with the actual voting situation in the Committee.

Ambassador Austin stated that there were no objections to the policy already taken by the United States in the First Committee, although he noted that some skepticism as to how it would work had been expressed by members of the Delegation.

[Here follows discussion of another subject.]

Editorial Note

On December 6 the First Committee acted on the various draft resolutions regarding China and amendments thereto. The Philippine amendment to the Cuba, Ecuador, Peru resolution was rejected in favor of two amendments submitted by Uruguay and Lebanon (UN Doc. A/C.1/555 and UN Doc. A/C.1/556, respectively). These made the additional provision that the Interim Committee should be authorized to bring the question to the attention of the Secretary-General in order to report to the Security Council (the Uruguayan amendment) and provided that the Interim Committee's examination should be made in light of the five-power draft resolution (the Lebanese amendment). The Cuba, Ecuador, Peru resolution, as so amended, was adopted, the United States voting against. The Committee then adopted the joint five-power resolution. For summary record of the First Committee's consideration of the China question, November 25–December 6, 1949, see GA (IV), *First Committee*, pages 339 ff.

The recommendation of the First Committee to the General Assembly for approval of the two resolutions was incorporated into a Committee Report, UN Doc. A/1215, December 6, 1949, in which the two resolutions were labeled respectively as "Resolution I" (the five-power resolution) and "Resolution II" (the Cuba, Ecuador, and Peru resolu-

tion). (For text of the Report, see United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings, Annex*, pages 234 ff.) The General Assembly in plenary session on December 8, 1949, adopted the two resolutions, with one amendment to Resolution II which after the words "Decides to refer that item" added the words, "and any charges of violations of the principles contained in that resolution. . . ." The United States cast a favorable vote for Resolution II after the inclusion of this amendment. For General Assembly consideration of the China resolutions on December 8, see GA (IV), *Plenary*, pages 565 ff. For texts of the two resolutions as adopted, Resolution 291 (IV) and Resolution 292 (IV), see United Nations, *Official Records of the General Assembly, Fourth Session, Resolutions*, pages 13 and 14, respectively.

THE UNITED STATES AT THE UNITED NATIONS: THE UNITED STATES POSITION REGARDING CERTAIN PROBLEMS OF UNITED NATIONS ORGANIZATION AND PROCEDURE ¹

I. UNITED STATES POLICY REGARDING ELECTIONS TO CERTAIN ORGANS, COMMISSIONS, AND COMMITTEES OF THE UNITED NATIONS ¹

501.BC/4-2549

Memorandum by Mr. John C. Ross, Deputy to the United States Representative at the United Nations (Austin) to the Assistant Secretary of State for United Nations Affairs (Rusk)

CONFIDENTIAL

[NEW YORK,] April 25, 1949.

Enclosed is copy of self-explanatory memorandum ² setting forth a request by India for United States support in the Security Council elections next fall. For the last two or three years I have been personally very sympathetic to the idea of a place for India on the Security Council, and I think there are a good many reasons why we should support India next fall and undertake at an early date a commitment in this regard with due reservation to protect our position against unforeseen circumstances which might between now and next fall change our view.

Among the reasons why I feel we should support India are the following:

1. I think that India is in a position to make a very substantial contribution to the "maintenance of international peace and security and to the other purposes of the organization" as set forth in Article 23 of the Charter. This ability to contribute derives not only from India's great population and actual and potential wealth, but also from her geographic location and the fact that she is already clearly in a position of leadership among a very substantial group of Asiatic countries.

2. The election of India to the Council would further strengthen the principle of equitable geographic distribution while, at the same time, preserving the general idea of having a second British Commonwealth Member on the Council. I heard very vaguely from Sam Atyeo ³ that

¹ Continued from *Foreign Relations*, 1948, vol. I, pp. 98-167.

² Not printed.

³ S. L. Atyeo, advisory member of the Australian Delegation to the meeting in progress at this time at New York of the second part of the third regular session of the General Assembly.

Australia might be interested in election to the Council next fall to succeed Canada. Australia, of course, has already been on the Council and for other reasons I must say I do not sympathize very much with this idea. Furthermore, it does not seem to me that any other Commonwealth Member at the present time, with the possible exception of New Zealand, is in a position to make as substantial a contribution as India.

3. It is still a bit too early to estimate the probable effect on Chinese Membership in the Council of what appears to be the virtually certain Communist domination of China.⁴ It seems likely, however, that China, as the sole Asiatic representative on the Council, will not be a very strong support. As a counterpoise, not only in the Security Council but generally, I should think that there is a great deal to be said for having India on the Council in addition to China.

4. At one time we were hesitant about supporting India for the Security Council because we were not sure just where India stood in relations between the East and the West. It began to be clear at Paris⁵ and I believe has become increasingly clear that India's sympathies lie with the West.

5. We seem to be well on the way to solution of the Kashmir problem,⁶ which solution should entail the virtual, if not complete pacification of the sub-continent.

The foregoing are, of course, personal thoughts which I want you and others concerned in the Department to have. I do think that it would be advantageous, if possible, for us to reach a prompt decision on this particular case with due regard, as indicated above, for any reservations we might consider it necessary to make.

⁴ See pp. 281 ff.

⁵ This refers to the meeting at Paris, September 21 to December 12, 1948, of the first part of the third regular session of the General Assembly.

⁶ Documentation regarding the Kashmir question is scheduled for publication in volume vi.

501.BC/5-449

Memorandum by the Chief of the Division of South Asian Affairs (Mathews) to the Director of the Office of Near Eastern and African Affairs (Satterthwaite)

CONFIDENTIAL

[WASHINGTON,] May 4, 1949.

SOA is in complete agreement with the contents of Mr. John Ross' memorandum of April 25 to Mr. Dean Rusk and strongly endorses serious favorable consideration of United States support for India to occupy the non-permanent membership on the Security Council being vacated by Canada.

In addition to the reasons which Mr. Ross enumerated of India's ability to contribute, the strengthening of the principle of equitable geographic distribution, the probable weakness of China as a repre-

sentative of Asia, the rapidly clarifying orientation of India to the West, and the progress being made toward solution of the Kashmir problem, there are several other factors which seem pertinent. India has the largest population under any one stable government of any country in the world. Its government is in the process of educating these hundreds of millions not only in the three R's but, perhaps even more importantly, to the concept of multi-national collaboration through the United Nations. India has made the support of the United Nations the cornerstone of its entire foreign policy and in its actions has shown as high a respect for and support of the various agencies of the United Nations as has perhaps any other country which has gone to the United Nations to find solutions to its problems.

India has played an active and progressively more constructive part in the UN. Embarrassed by a shortage of top-flight personnel it has yet consistently sent outstanding and high-level delegations to UN meetings.

At the time that SOA requested the support of NEA for India to replace Syria on the Security Council last year the following reasons were advanced which I believe to be equally applicable today, rendered even more valid by the passing of another year without India being a member of the one instrument of the United Nations on which it has always been anxious to serve:

1. The United States supported India in 1947 against the Russian-supported Ukraine.¹ Although this support evoked a strong favorable reaction in India and contiguous countries at the time, there were elements in India, less friendly to the United States, which contended that the United States was not supporting India out of sympathy for India but as a result of power politics and opposition to a Russian satellite. To fail to support an actively-campaigning India this year could not but revive these charges and instigate a series of attacks on the United States in the Indian press.

2. The Government of India has repeatedly solicited the support of the United States for India's membership in the Security Council. It is apparent that India is not only anxious to become a member of the Security Council but that failure on our part to support its candidacy would be detrimental to Indo-US relations.

3. From every standpoint of geographic location, population, resources, and physical size, India is preeminently qualified to be a member of the Security Council of the United Nations. Thus, it would certainly not be inappropriate for India to be elected to one of the non-permanent seats at this time—or for the United States to be one of the great powers supporting India. In this connection, although it is early to predict, it would seem probable that China and the UK will be favorably inclined to India's candidacy.

¹ For documentation concerning the 1947 elections to the Security Council, see *Foreign Relations*, 1947, vol. I, pp. 100 ff.

4. Should the United States support any nation other than India for this position when India will quite obviously be staging an active campaign, and should that other nation be elected, damaging weight would be added to the charge throughout the South Asian area that neither the United States nor the United Nations has a realistic appreciation of the importance of South Asia or of the worthiness of its claim to play a meaningful role in international organizations.

In addition to all of the foregoing it is my opinion that American support of India for the Security Council would be one more effective action in the achievement of the fundamental United States political objective with regard to India toward "the orientation of the Government and peoples of India toward the United States and other Western democracies and away from the USSR . . . and the progressive development of responsible democratic political institutions."

IO Files : US/A/1555

Memorandum of Conversation, by Mr. John C. Ross, Deputy to the United States Representative at the United Nations (Austin)

CONFIDENTIAL

[NEW YORK,] June 16, 1949.

Participants: Dr. Homero Viteri-Lafronte, Permanent Representative of Ecuador to the UN
Ambassador Warren R. Austin, United States Mission
Mr. John Ross, United States Mission
Mr. Charles Noyes, United States Mission
Mr. Porter McKeever, United States Mission

At his request Ambassador Viteri-Lafronte called on Ambassador Austin this morning. He said he had called to raise United States support for Ecuador as successor to Argentina on the Security Council. He made, in supporting this request, the following points:

1. Ecuador has never been elected to any important United Nations office.

2. It seemed appropriate that a Pacific State in Latin America should succeed one (Argentina) on the Atlantic seaboard.

3. It seemed appropriate to give this job next year to Ecuador and thus break the habit of passing UN jobs around among a selected few.

4. The President of Ecuador¹ was very much interested in a seat for his country on the Security Council. There were two important elements involved. First, the President had had a long-standing interest in the United Nations, having represented his country at the San Francisco Conference. Second, the President was making very great and earnest efforts to build up true democracy in Ecuador.

Ambassador Austin, while indicating very warm feelings for the President of Ecuador and sympathy for Ecuador's interest in the

¹ Galo Plaza Lasso.

possibility of being elected to the Security Council, indicated that this was a matter on which the State Department had not yet reached any decision.²

²In response to an inquiry (telegram 233 from Quito, September 6, 1949, 501.BC/9-649), the Department in telegram 218 informed the Ambassador in Ecuador (Simmons) on September 9: "You may assure FonMin (Embtel 233, September 6) US has not yet determined position re LA candidacy for SC and accordingly has not given support any LA candidate. Position, in accordance with our usual practice, will be determined after USDel reaches NY and has been informed results LA caucus. In your discretion you may state to FonMin that in future US wld hope LA states wld agree in principle that one of two LA seats on SC shld always be occupied by one of larger states that area. Informal conversations NY indicate no other states share this view. Acheson". (501.BC/9-649)

501.BC/6-2949

Memorandum of Conversation Between the Secretary of State and the Indian Ambassador (Pandit) ¹

SECRET

[WASHINGTON,] June 29, 1949.

In relating the background of her government's instructions to her to request the reaction of the United States to India's candidacy for the Security Council Madame Pandit spoke in detail of the developments during the 1947 elections. In addition to the general information which was already fully known to me she said that the British had given India assurances in 1947 that they would support India for the SC as the Commonwealth member in a subsequent election but were already committed in 1947 to the support of Canada. She said that India had not as yet approached the British with regard to the 1949 election but that her colleague in London was undoubtedly doing so at the present time. She wished it understood, however, that India did not think of itself so much as a Commonwealth candidate as it did the obvious choice for a representative of the important area of South Asia. In addition she stressed that India's internal stability would be beneficially affected by its assumption of the important position of member of the SC.

Madame Pandit spoke at considerable length on the subject of the reliability of India within the democratic framework spearheaded in the SC by the US and the UK. She said that whereas her government had avoided and so far as she knows intends to continue to avoid a public declaration of alignment with one or other of the two great concepts in the world, in point of fact the internal administration and affairs of India for the past year (50% of India's national existence) has been in direct alignment with the principles for which the US

¹ This memorandum was drafted and initialed by Mr. Joseph S. Sparks, Acting Assistant Chief of the Division of South Asian Affairs.

stands and the same thing has been true and will continue to be true in the great majority of international issues on which India speaks. The only qualification which she made to the foregoing was "of course within the limitations of India's own context".

I explained to Madame Pandit that because of our firm policy of not deciding so far in advance to support specific candidates for important UN positions it was not possible for me to give her what she would consider a satisfactory answer at the present time. On the other hand I assured her that there is at least no other country of which we are thinking and that the arguments which she presented are extremely relevant and would weigh heavily with us in the decision which we would ultimately make. She said that she had of course not expected a definite answer today but that she hoped it would be possible for us to give an indication to India as soon as possible in that India was not interested in standing for election for the SC unless it knew that its friends were prepared to support the candidacy and that the candidacy would not be merely a futile gesture.

I told Madame Pandit that both the President and I hoped particularly that it would be possible for India to assume a constructive leadership in South Asia, and that a solution could be discovered to the problem of colonialism which would result in the emergence of nationalist groups in the various countries working in democratic unison against the further encroachment of Communism. I said that the U.S. was not in a position to take such leadership in South Asia but that we hoped India would and that we would be able to cooperate with the Indian Government in its undertaking.

[Here follows discussion of another subject.]

501.BB/7-1949

Memorandum by the Secretary of State to the President

CONFIDENTIAL

WASHINGTON, July 19, 1949.

1. The first order of business at the forthcoming General Assembly session, which convenes in New York on September 20, will be the election of its President. An acceptable candidate is much more likely to be elected if the United States determines whom it will support well in advance of the session, and exchanges views with other governments.

2. General Carlos Romulo (Philippines) appears to be an outstanding choice for President. It is understood that he would be greatly interested in this post. United States support for his candidacy would strengthen our friendly relations with the Philippine Republic

and our general position in the Far East. On all matters which in his opinion involve the security of the United States, General Romulo has consistently supported our position, but on other matters he has frankly exercised independent judgment.

3. General Romulo is an experienced presiding officer. He has distinguished himself as the chief delegate of his government in the United Nations since the San Francisco Conference. As chairman of the *Ad Hoc* Political Committee during the last regular session of the Assembly, and as President of the 1948 Conference on Freedom of Information, he has proved himself an effective, well-qualified presiding officer.

4. The post of President of the General Assembly, one of the highest UN honors, has been held by a Western European, by two Latin Americans, and one representative of the British Commonwealth. On the basis of equitable geographic representation, the choice of a representative of the Far East is now appropriate.

5. It is therefore proposed that the United States Representative to the United Nations immediately begin consultations with other Delegations on behalf of General Romulo, ascertaining their views and endorsing him for the presidency if the situation warrants such action.

It is recommended that the above procedure be approved.¹

DEAN ACHESON

¹Notation by the President: "Approved Harry S Truman". In telegram 338, July 25, the U.S. Representative at the United Nations (Austin) was informed by the Secretary of State of this decision and authorized to discuss the question of the GA presidency, "indicating U.S. intention support Romulo and expressing hope other Delegations will do likewise." The British at New York were informed on July 25. (501.BB/7-2549)

501.BC/8-1849

*Memorandum of Telephone Conversations, by the Chief of the
Division of South Asian Affairs (Mathews)*

CONFIDENTIAL

[WASHINGTON,] August 17 and 18, 1949.

Participants: Mr. Michael Walker, First Secretary, British Embassy
Mr. E. G. Mathews, Chief, Division of South Asian
Affairs

- (a) Problem: US-UK coordination re Indian candidacy for SC
- (b) Action Required: None
- (c) Action Assigned To: None

Mr. Walker of the British Embassy telephoned on the afternoon of August 17 to inform the Department that his Government had decided to support India for the SC subject only to clearance from

New Zealand and an assurance from the latter that it did not wish to stand itself for the Security Council. Mr. Mathews expressed his appreciation for this information and said that the US position vis-à-vis India's candidacy was being considered at a Departmental meeting then in session.

Mr. Mathews telephoned Mr. Walker on the morning of August 18 and informed him that a working-level decision to support India for the Security Council had been taken. If the necessary clearances were obtained within the Department, the Indian Ambassador might be informed of the US decision on August 19. Mr. Walker expressed some concern that the UK might not have completed its consultations with New Zealand by the nineteenth, and asked whether in that event it would be possible for the Department to defer its discussions with the Indian Embassy for a day or so. Mr. Mathews said that he would make inquiries and communicate with Mr. Walker later in the day.

At about one o'clock on the afternoon of August 18, Mr. Walker informed Mr. Mathews in the course of a telephone conversation that the UK had received the necessary clearances from New Zealand, and that the way now seemed open for both the UK and the US to inform India of intended support of its candidacy for the Security Council.

501.BC/8-1849

Memorandum by the Assistant Secretary of State for International Organization Affairs (Hickerson) to the Deputy Under Secretary of State (Rusk)

SECRET

[WASHINGTON,] August 18, 1949.

Subject: US Support for India for UN Security Council

Discussion:

1. Canada, the Ukraine and Argentina retire from the Security Council December 31, 1949. Their successors will be elected early in the Fourth Regular Session of the General Assembly.

2. India is an active candidate for the Security Council to succeed Canada. Mme. Pandit, the Indian Ambassador, in a conversation with the Secretary last June, requested US support for India's candidacy. At that time she explained that when India withdrew its candidacy against the Ukraine in the 1947 Security Council elections, the United Kingdom promised to support India for this Council in 1949, as the Commonwealth candidate. (The US supported India against the Ukraine.) She also emphasized the political reliability of India from the standpoint of the West. No commitment was made by the Secretary.

3. Since last June the US and the UK have refused to make any commitment to India on the basis of the Kashmir situation.¹ It is no longer considered advisable, however, to attempt to use India's SC candidacy as a lever to affect the development of this case. The British have now informally advised us of their intention to support India. Canada appears about to take the same decision. China intends to support India. It is agreed by the interested Departmental officers that the United States should immediately make known to India its intention to support it for the Security Council. It is further agreed that the Indians should be told that we consider them as filling the Commonwealth seat on the Council. (This will maintain one Council seat in future elections for such Commonwealth states as Australia and Canada, which, on any basis of strictly geographical regional representation, could seldom if ever expect to be elected.) It is anticipated that this decision will be extremely helpful in the general pattern of our relations with India.

Recommendation:

That you authorize the appropriate Departmental officers to advise the Indian Embassy of the present intention of the United States to support India for the Security Council, and to vote for India in the Assembly on the first ballot and as long thereafter as there is a reasonable prospect of India's election.

¹ During the summer months officers of the Department and the British Embassy had been engaged in working-level discussions relating to elections in the forthcoming General Assembly; these conversations are recorded in memoranda in the Department of State's central indexed files (501.BB series).

501.BC/8-1949

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern and African Affairs (McGhee)

SECRET

[WASHINGTON,] August 19, 1949.

Participants: Madame Vijayalakshmi Pandit, Ambassador of India
 Mr. George C. McGhee, Assistant Secretary of State
 Mr. B. R. Sen, Minister of the Embassy of India
 Mr. Elbert G. Mathews, Chief, Division of South Asian Affairs
 Mr. T. N. Kaul, First Secretary, Embassy of India
 Mr. Samuel K. C. Kopper, NEA
 Mr. Joseph S. Sparks, SOA

[Here follows résumé of the "Problem" as set forth in more detail in the Hickerson memorandum of August 18, *supra*.]

Referring to Madame Pandit's conversation last June with the Secretary in which she requested United States support of India's

candidacy for the Security Council, I explained, as had the Secretary, that it is not the policy of the United States Government to announce its support of specific candidates for UN organizations so far in advance of the meetings of the General Assembly. I told the Ambassador that I was happy, however, to be able to inform her that the Department had given very serious consideration to India's request for support and that for her information it was the Department's conclusion that the United States should support India's candidacy. I explained carefully that this decision had been taken only within the Department and that it was subject to review both by the President and by the United States Delegation to the General Assembly, but that it did represent the current thinking of the US Government. I made a definite point of the fact that our support of India was in its role as the Commonwealth candidate for the position.

Madame Pandit seemed very pleased with the explanation of our position.¹

¹ In telegram 661 to New Delhi, September 23, the Embassy in India was informed that this Government had reached a "firm decision" to support India for election to the Security Council. "You may so inform GOI." (501.BC/9-1349) This decision had been reached in the Department on September 23 without going to President Truman, upon cognizance that "no other slate question on Councils" had been referred to the President (Memorandum, the Deputy Assistant Secretary for United Nations Affairs (Sandifer) to the Deputy Under Secretary of State (Rusk), September 23, 501.BC/9-2349).

501.BC/8-2949

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern and African Affairs (McGhee)

[WASHINGTON,] August 29, 1949.

Participants: Pakistan Embassy—Mr. Baig, Counsellor
NEA—Mr. McGhee, Mr. Kopper
SOA—Mr. Mathews, Mr. Fox

(a) Problem: Pakistan's concern over US support of India for the Security Council.

(b) Action Required: An *Aide-Mémoire* to the Embassy of Pakistan.

(c) Action Assigned to: SOA.

Mr. Baig called at his request. He said that the UK High Commissioner at Karachi had informed his Government that the UK had decided to support India's candidacy for the SC, and that the US had already promised to support India. He said that support of India by the US at this time would be a clear indication that the US condones, if not supports, India's intransigent policy re Kashmir,

Junagadh, Hyderabad, and the Punjab water dispute. The Government and people of Pakistan would not be slow to appreciate the implications of the US support of India. India's election to the SC with US assistance, in the circumstances, would not enhance good understanding between the US and Pakistan.

I thanked Mr. Baig for the frank expression of his Government's views, and said that it was the case that the Department had recently informed the GOI that, subject to review by the President and the US Delegation to the UNGA, the current intention of the Department was to support India's candidacy for the SC. I said that this decision was based on India's position in Asia, the fact that India is the only Commonwealth candidate and is supported by several other Commonwealth countries, and on the fact that to date India has played a prominent role in the UN. I said that our decision in no way supported India's position in any dispute with Pakistan, or in any issue involving India before the SC. Our view is that a country's involvement in a dispute before the UN is not necessarily a bar to its candidature for a UN Council. We would have the same attitude if Pakistan were the candidate. I then informed Mr. Baig that, again subject to review by the President and the US Delegation to the UNGA, that the Department currently planned to support Pakistan's candidacy for membership on ECOSOC. I pointed out, however, that it was not customary for the US to commit itself so far in advance of the GA to candidates for UN councils.

Mr. Baig left an *Aide-Mémoire* on the subject, and stated that he would convey our views to his Government.¹

¹The *aide-mémoire* is not printed; it set forth in more detail the general remarks made by Mr. Baig. A Department of State *aide-mémoire* in reply on September 22 essentially amplified the points made by the Assistant Secretary. (Both documents are under file 501.BC/8-2949.)

Editorial Note

Discussions regarding the forthcoming General Assembly session were held at the United States Mission at the United Nations, New York, August 30 and 31, and again on September 15, 1949, between members of the United States, Canadian, and British Governments. Ranking officials respectively were Mr. John D. Hickerson, Assistant Secretary of State for International Organization Affairs, General A.G.L. McNaughton, Permanent Representative of Canada at the United Nations, and Sir Terence Shone, British Minister Plenipotentiary. A wide range of subjects was covered, including an exhaustive treatment of elections for all organs and General Assembly committees

and to a lesser degree a survey of all major political items on the proposed agenda of the General Assembly. For the very detailed "summary of discussions" see IO Files, document US/A/1601, September 8, 1949 (for the August talks) and document US/A/1698, September 23, 1949 (for September).

In telegram 1028, September 1, to the Department, the United States Mission described the "informal detailed joint exchange [of] views [as being] most helpful to all concerned and warmly welcomed by Canadians and UK. Each had a number of items on which no government position yet. Canadians quite thoroughly prepared and well documented on all questions discussed. UK preparation appeared spotty. Not clear to us whether London knew in advance of these talks. . . ." (501.BB/9-149) The minutes indicate that on the United States side Assistant Secretary Hickerson frequently qualified his remarks as being a personal view.

The fourth regular session of the General Assembly convened at Flushing Meadow, New York, on September 20, 1949.

501.BB/9-2049 : Telegram

*The Acting Secretary of State to the United States Representative at the United Nations (Austin)*¹

SECRET

[WASHINGTON,] September 21, 1949—7 p. m.

Gadel 4. In light Delga 5 and 6,² Dept believes US position in respect election new SC members as set forth in position paper³ shld be modified in accordance with this tel.

Del shld vote for Yugo to succeed Ukraine so long as there is strong sentiment in GA for its election.

Del shld inform UK and Fr Dels of this position promptly. Del is authorized to inform other dels at such time as in its discretion it believes is desirable. In expressing US position to other dels it shld

¹ Ambassador Austin as United States Representative at the United Nations normally would have been chairman of the United States Delegation to the General Assembly. At this time, however, Dean G. Acheson, the Secretary of State, was in New York with the Delegation and so headed it. Meetings of the Delegation at the U.S. Mission began on September 19, the day before the General Assembly convened; complete summary minutes of such meetings are to be found in the IO Files in the series US/A/M(Chr). For documentation on the composition and organization of the U.S. Delegation to this session, see pp. 12 ff.

² The Delegation had reported that on September 20 members of the Yugoslav Delegation to the General Assembly had approached certain U.S. delegates, among others, and let it be known that Yugoslavia would be a candidate for an "East European" vacancy on the Security Council. (501.BC/9-2049)

³ Not printed.

be stated US will vote for Yugo to succeed Ukraine on SC if majority of GA support it, but if Yugos do not get majority GA support, US will cast its vote for whatever Eastern Eur state is supported by USSR.

Dept's position based in part on fact it wld be injurious to our relations with Yugo if they knew that US was not supporting them in their candidacy for SC. On other hand, Dept believes it of utmost importance to avoid any impression that movement for Yugo election to SC was sponsored by US or that US is prime mover in that direction.

WEBB

10 Files : US/A/1725

Memorandum of Conversation, by Mr. John Ross, Deputy to the United States Representative at the United Nations (Austin)

CONFIDENTIAL

[NEW YORK,] September 22, 1949.

Trygve Lie¹ called me into his office following conclusion of the morning plenary and said Bebler² and his associates had come to see him and urged very strongly that he support Yugoslavia's candidacy for the Security Council. Lie said that he had not given the Yugoslavs an answer one way or the other. He had asked them, however, as earnest of their good intentions whether the Yugoslav Government could not take an active and immediate part in liquidating once and for all their part in the Greek Case. He added to me that this was a very complex matter of world politics which he did not feel competent to express any view on until he had learned our view. I told him this matter was as much of a surprise to us as anyone else. I explained what our position had been and indicated for the moment we had no position one way or the other but were actively considering the question.³ I told him we would try to inform him as promptly as possible as soon as we reached a decision. I emphasized to him very strongly that the United States had no part whatsoever in this initiative by the Yugoslav Government.

¹ Secretary-General of the United Nations.

² Aleš Bebler, Yugoslav Deputy Minister for Foreign Affairs and Member of the Yugoslav Delegation to the General Assembly.

³ The U.S. Delegation had discussed the Yugoslav matter at its meetings on September 21 and 22 (IO Files, documents US/A/M(Chr)/98 and US/A/M(Chr)/99). The Department's instruction, telegram Gadel 4, *supra*, was the subject of discussion at the September 22 meeting, one opinion being that the instruction was a fairly strong endorsement of the Yugoslav candidacy and that the U.S. Delegation "should say we were supporting Yugoslavia."

IO Files : US/A/1730

United States Delegation Working Paper

SECRET

[NEW YORK,] September 23, 1949.

MEMORANDUM

Subject: Yugoslav Candidacy for the Security Council

Mr. Hickerson met this noon with Sir Alexander Cadogan (UK)¹ and Ambassador Chauvel (France)² on this matter. He reiterated the US position which had previously been given to both delegations. He stressed the importance of reaching concerted view at the earliest possible moment. Sir Alexander and Mr. Chauvel both promised to review the matter and give us their views promptly.

Later in the day the French reported that Mr. Chauvel had talked with Schuman³ who felt that the matter should be left alone for perhaps two more days and reviewed again at the end of that time. He felt that in the interim our delegations should neither encourage nor discourage the proposal.

The British later replied that Mr. Bevin⁴ wanted to speak about the matter with the Secretary. They discussed the matter at Flushing in the later afternoon. The Secretary explained our position and stressed that he did not intend to "lobby" in any way for the proposal but did intend to vote for it in the event that we determined it would command general support in the Assembly. Mr. Bevin placed great emphasis on the matter of not campaigning for the proposal in any way and, based on that condition, agreed to our position.

¹ Permanent British Representative at the United Nations.

² Permanent French Representative at the United Nations.

³ Robert Schuman, French Minister for Foreign Affairs and Head of the French Delegation to the General Assembly.

⁴ Ernest Bevin, British Secretary of State for Foreign Affairs and Head of the British Delegation to the General Assembly.

501.BC/9-2449 : Telegram

The Ambassador in Yugoslavia (Cannon) to the Secretary of State

SECRET

BELGRADE, September 24, 1949—6 p. m.

985. Our reaction to Yugoslav candidacy for SC seat is that Yugoslavs showed some temerity in raising issue, but we are inclined (Usun 1 September 21) to favor Yugoslav membership. We suppose US hesitancy to support it concerns our general UN policy specifically whether we should depart from formula whereby SC nonpermanent

Soviet bloc membership has hitherto been determined. Yugoslav membership would be strongly opposed by Soviet Union and our support would perhaps affect working relationship with USSR, but we think it might be advantageous from standpoint healthy development UN as truly representative body.

We would still be adhering to principle that membership should be on basis geographical-cum-political area representation. Despite quarrel with Kremlin, Yugoslavia is nonetheless still a Communist Eastern European Slavic nation. If we try exclude it from SC membership therefore, our policy would seem rest on political expediency would be looked upon as smacking suspiciously of power politics and would contribute to maintenance rigidity two political blocs.

Yugoslav as SC member can hardly be expected follow Western lead out of spite to Kremlin, but except for Soviet bloc, no one should regard it as violation geographical-political representation principle. We feel that independent and middle-of-road policy which there are indications Yugoslavs may follow in UN would be salutary influence and certainly [omission] to Soviet marionette.

Sent Department 985, pouched Warsaw, Prague, Budapest, Bucharest, Sofia.

Department pass Moscow 131.

CANNON

501.BB/9-2649

Memorandum by the Deputy Under Secretary of State (Rusk) to the Acting Secretary of State

SECRET

[WASHINGTON,] September 26, 1949.

Our General Assembly Delegation is taking the view, under instructions from the Department, that the United States should vote for Yugoslavia for the Security Council if there is substantial support in the Assembly, but should not campaign for Yugoslavia's candidacy and engage U.S. prestige in Yugoslavia's success. The primary reasons for this cautious attitude are :

1. Neither the French nor the British appear to favor the Yugoslav candidacy. The UK Delegation has, in fact, indicated that it will probably oppose.
2. A considerable number of delegations are waiting upon the United States for guidance on this point. For us to announce considerably in advance that we expect to vote for Yugoslavia would place us in the position of leading the campaign.
3. On the last occasion on which the U.S. voted against the Soviet bloc candidate for the Eastern European seat on the Security Council, we were roundly defeated and were accused by many delegations of

not wishing to carry out the informal understanding reached in 1945¹ about the allocation of seats.

4. The present Eastern European candidate is Czechoslovakia, which can be expected to receive considerable support from Western Europe and the British Commonwealth.

5. If the USSR is able to hold the United States responsible for Yugoslavia's election, it would further accentuate the increase of bitterness between the USSR and Yugoslavia in a situation which is already dangerous.

6. Some delegations in the Assembly appear to feel that Yugoslavia's election under strong U.S. sponsorship would greatly reduce the prospect of settlement of some of the issues now before the Assembly involving the Great Powers.

Despite the above considerations, the Department of State believes that we should vote for Yugoslavia rather than any Soviet-bloc candidate, if there is a good prospect for Yugoslavia's election. We do not wish, however, to have a direct issue made between us and the Soviet Union on this point and have the General Assembly decide for the Soviet Union and against the United States. A further consideration is, of course, that the United States does not wish to refuse to vote for Yugoslavia since it might be interpreted as a weakness following the atomic announcement.²

Under all the circumstances we believe the Delegation should have wide discretion in handling this matter prior to the actual vote.³

Concurrences: EUR—Mr. Thompson.

DEAN RUSK

¹To the extent that there was such an "informal understanding" reached between the Five Great Powers, the episode occurred at London at the time of the meeting of the first part of the first session of the General Assembly, and the date should read (January) 1946. For documentation on the London discussions, see *Foreign Relations*, 1946, vol. 1, pp. 117 ff.

²The reference is to President Truman's statement of September 23 that the United States had evidence of an atomic explosion in the Soviet Union. For text, see Department of State *Bulletin*, October 3, 1949, p. 487.

³This paper was handed to President Truman by the Acting Secretary of State (Webb) on September 26, and read and approved by the President as the proper course to follow (Secretary's Memoranda of Conversation, Lot 65D238).

IO Files: US/A/M(Chr)/102

*Minutes of the Eighth Meeting of the United States Delegation,
New York, September 27, 1949, 9:00 a. m.*

SECRET

[Here follow list of names of persons (43) present and discussion of two prior subjects on the Delegation's agenda.]

3. *Candidacy of Yugoslavia for the Security Council*

Ambassador Jessup said that he had discussed Yugoslavia's candidacy with the Secretary yesterday afternoon, and they had come to

the conclusion that it would be desirable for the United States to take the following position. We would say to other delegations who inquired as to our position that, as we saw the picture, the Ukrainian seat was to be vacated. It should be filled by an Eastern European, Slav and communist state. We understood there are two candidates, Czechoslovakia and Yugoslavia. We were not going to campaign for anyone, but we were going to vote for Yugoslavia.

Ambassador Austin commented that certain of our friends wanted to know our position and inquired what they could now be told. Mr. Jessup explained that the Secretary had discussed the matter with Mr. Bevin who had asked for time to talk it over with his staff and who would then give us his final views. Mr. Bevin had promised to let the Secretary know by 9:15 a. m. However, Ambassador Jessup stated that the Secretary had agreed we should take this position, even if the British did not come along. The Delegation might accordingly take its decision to this effect and inform the French and British of it immediately.

Mr. Hickerson suggested that it is not at all necessary that we should agree with the British on this matter. We should answer inquiries as to our position, irrespective of what position they took. The only promise which had been made the British was to tell them our decision. He proposed that, unless the Delegation should decide otherwise, we should tell other Delegations our position after eleven o'clock. If any contrary decision was taken, the information would be gotten to all members of the Delegation.

Ambassador Austin stated his understanding of our present position to be that, under the circumstances now existing, the United States Delegation had decided not to campaign for, but to vote for Yugoslavia, and after 11:00 a. m. or before if so advised, to reply to inquiries that it was voting for Yugoslavia. Mr. Hickerson indicated there was a little more to our position. That is, we thought a Slav state should be elected; there were two candidates in the field; and given the present situation, our intention was to vote for Yugoslavia.

Mr. Ross commented that we would be asked for what reasons we had decided to support Yugoslavia over Czechoslovakia. Mr. Hickerson expressed surprise that we should have to explain why. Mrs. Roosevelt suggested we might say it was in view of the speech made by the Delegation of Yugoslavia,¹ and that, as the situation now stood, between the two states, Yugoslavia was more likely to cast an independ-

¹ For the General Debate statement to the General Assembly on September 26 by Edvard Kardelj, Yugoslav Minister for Foreign Affairs and Head of the Yugoslav Delegation to the General Assembly, see United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, pp. 66-69 (hereafter cited as GA(IV), *Plenary*).

ent vote. Mr. Hickerson wondered if we had to say that. Mrs. Roosevelt said if anyone pinned us down, those were our reasons. Ambassador Austin indicated it was the standard practice of the Mission to give the reason for any decision. It was a rule in talking with the other members of the United Nations that the United States Delegation should not attempt to proselyte or coerce, but to exercise such leadership as it could by telling these members our position and the reason for it. If that appealed to them, we received their support. Otherwise, other countries would simply react by telling us what was wrong with our position. In this case, he noted that most countries already knew our reasons, but he believed we should be in a position to answer inquiries, if made.

Ambassador Jessup reported that he had just talked with the Secretary who had been in touch with Mr. Bevin's secretary. Mr. Bevin did not feel very strongly on this matter, but if the British were asked, they would say they were voting against Yugoslavia. The Secretary had replied that if anyone asked us we would say we were voting for Yugoslavia but not campaigning.

Mr. Cohen expressed general agreement with the line of approach adopted by the Delegation but wanted to put in one caveat. He believed it was especially important, particularly in view of the difference with the British, for us to avoid letting people think that we considered this an important issue or that we were leading the fight. He thought this was already understood. Mr. Hickerson agreed.

Senator Cooper asked what were the particular reasons given by the British for their position. Mr. Hickerson replied that the British experts said it was because Mr. Bevin was a real socialist and did not think there was anything to choose between communists or anything to be gained by supporting one communist over another. Also the Yugoslavs might feel, if they get on the Security Council, that it would be implied assurance that they would get more support from the West than if they were not on the Council. Of course, this would not follow at all. The only important thing was that the Yugoslavs, having travelled this distance, should get our support. In fact, we did not attach much importance to this candidacy. Mr. Cohen remarked that we were now seeing the Yugoslavs on their good behavior. Some of the delegates could recall past occasions on which they had been even more disagreeable and intransigent than the Soviets. That fact might account in part for Mr. Bevin's attitude.

Mr. Notter inquired whether the British matched our position on not campaigning. Mr. Hickerson said that they did.

Ambassador Austin noted that under the statute this decision was to be made by the President acting through the Secretary and the

Delegation should simply carry out this mandate. Mr. Fahy said he thought it was right, notwithstanding.

Mr. McKeever commented that while Mr. Cohen was right, it would be difficult to establish our position on the basis of the feeling this was not important. He simply wished the Delegation to be aware of this problem.

[Here follows discussion of another subject.]

IO Files : US/A/1778

United States Delegation Working Paper

CONFIDENTIAL

[NEW YORK,] September 27, 1949.

STATUS OF COUNCIL SLATES

1. *Security Council*

Retiring Members

Canada
Argentina
Ukrainian SSR

Recommended Slate

India
Ecuador
Yugoslavia

2. *Economic and Social Council*

Retiring Members

Byelorussian SSR

undecided (no announced Soviet candidate; preference for a constituent republic)

Lebanon
New Zealand
Turkey
United States
Venezuela

Pakistan
Canada
Iran
United States
Mexico (if it is the preferred Latin American candidate)

3. *Trusteeship Council*

Retiring Members

Iraq

Lebanon or Greece (Lebanon, Syria and Iraq all appear to be candidates)

Mexico
Costa Rica (resigned;
election to fill unexpired
one-year term)

Dominican Republic
Mexico or Argentina

IO Files : US/A/1790

*Memorandum of Conversation, by Mr. John D. Hickerson of the
United States Delegation*

CONFIDENTIAL

[NEW YORK,] September 27, 1949.

As soon as I reached Lake Success this morning I telephoned Presi-

dent Romulo's¹ office and asked for an appointment to see him immediately upon his arrival. As soon as he came in I went around to see him and told him that of the two candidates in the Eastern European area for the Security Council seat now held by the Ukraine, the United States Delegation had decided, taking everything into account, to vote for Yugoslavia. I reminded President Romulo that we had assumed, prior to the opening of the General Assembly, Yugoslavia would not wish to be considered for membership in the Security Council and that the Yugoslav candidacy was therefore a complete surprise to us. I told him that we had considered the matter very carefully since Yugoslavia approached us a week ago today, and had decided, taking everything into account, including Mr. Kardelj's speech yesterday, to vote for Yugoslavia. I stated that we would not campaign for Yugoslavia but would confine our efforts to stating our position to those countries who have inquired of us what our attitude is.

President Romulo said he was very glad to have this information, which did not surprise him after Kardelj's speech in the General Assembly yesterday. He said that he felt that the speech was a courageous one and that some recognition should be given to it. He did not state, but strongly implied, that the Philippine Delegation would vote for Yugoslavia.

¹ General Romulo was elected President of the General Assembly on September 20.

IO Files : US/A/1791

*Memorandum of Conversation, by Mr. John D. Hickerson of the
United States Delegation*

CONFIDENTIAL

[NEW YORK,] September 27, 1949.

I called on Mr. Lie¹ at Lake Success at 12:00 Noon today and told him that the United States Delegation had decided that of the two countries in the Eastern European area seeking election to the Security Council, Czechoslovakia and Yugoslavia, we would vote for Yugoslavia. I recalled to him that the Yugoslav candidacy was a complete surprise since we had assumed, prior to the opening of the General Assembly, that Yugoslavia would not wish to be considered for the Security Council. I added that since being informed otherwise by Yugoslavia a week ago today we had carefully considered the whole matter and taking everything into account, including Kardelj's speech yesterday, we had decided to vote for Yugoslavia. I stated that we would not campaign for Yugoslavia but would confine our efforts to

¹ Trygve Lie, Secretary-General of the United Nations.

stating our position to those countries who have inquired of us what our attitude is.

Mr. Lie stated that as Secretary General of the United Nations he could only say that our decision would make the work of the General Assembly "somewhat more difficult". To my surprise he added that, speaking solely in his capacity as Trygve Lie, he understood fully our decision and that his sympathies were with Yugoslavia.

IO Files : US/A/1789

*Memorandum of Conversation, by Mr. John D. Hickerson of the
United States Delegation*

CONFIDENTIAL

[NEW YORK,] September 27, 1949.

I saw Ambassador Kosanovic¹ in the Delegates' Lounge at 11:30 this morning. I referred to Mr. Kardelj's and his conversation with me at the Waldorf-Astoria at the Secretary's reception on September 20th in regard to Yugoslavia's candidacy for the Security Council seat now held by the Ukraine. I also referred to his inquiry of me yesterday as to whether the United States Delegation had reached a decision in this matter.

I told Mr. Kosanovic that the United States Delegation had decided that of the two candidates, Czechoslovakia and Yugoslavia, the United States Delegation would vote for Yugoslavia. I stated that we would do no campaigning but would confine ourselves to voting for Yugoslavia and to informing other delegations who have inquired about our attitude that we were going to do so.

Ambassador Kosanovic expressed his deep appreciation and said that he knew Mr. Kardelj and his Government would be tremendously pleased. I went on to say to Ambassador Kosanovic that while there were no conditions attached to our decision to vote for Yugoslavia, I hoped very much that his Delegation would be as helpful as they could in the Greek case. He replied at once that he did not think that we would find any difficulty over Yugoslavia's attitude in the Greek case. He said that we would have to bear in mind, of course, that Yugoslavia, in view of her past attitude, would find it difficult to cooperate with UNSCOB but that Yugoslavia's aid to Greek Guerrillas had stopped and that the attitude of Yugoslavia in the Greek case should not cause us any difficulties.²

As I was getting in my car a few minutes after 2:00 o'clock at Lake Success, Ambassador Kosanovic came up to me and said that he under-

¹ Sava Kosanović, Yugoslav Ambassador to the United States and Member of the Yugoslav Delegation.

² Documentation on the Greek matter is scheduled for publication in volume vi.

stood the press had the word that we were going to vote for Yugoslavia and that he wanted me to know that the press did not receive this word from the Yugoslav Delegation. He again expressed his great appreciation for the decision of the United States Delegation.

10 Files : US/A/1794

*Memorandum of Conversation, by the United States Representative
at the United Nations (Austin)*

SECRET

[NEW YORK,] September 28, 1949.

At Sir Alexander Cadogan's dinner last night [September 27], Mr. Tsarapkin¹ approached me in great excitement and stated that he had heard that the United States would support Yugoslavia's candidacy for the Security Council. He said that the consequences of such an action would be far-reaching and indicated a belief that the United States was to blame for the Yugoslav candidacy.

I told Mr. Tsarapkin that the Yugoslav candidacy was not the result of United States action and that the United States had not made up its mind to vote for Yugoslavia until this morning [September 27]. I told Mr. Tsarapkin that we were not campaigning for Yugoslavia, although we would vote for her as an Eastern European, communist state qualified to fill the seat being vacated by the Ukraine.

Mr. Tsarapkin then stated that we could stop the Yugoslav candidacy if we wished to do so. I told him that we had taken a considered decision and I very much doubted we would make any effort to oppose the Yugoslav candidacy.

¹ Semyon K. Tsarapkin, Alternate Soviet Representative on the Security Council and Member of the Delegation of the Soviet Union to this session of the General Assembly.

501.BB/9-2849 : Telegram

*The United States Representative at the United Nations (Austin) to
the Secretary of State*

SECRET

PRIORITY

NEW YORK, September 28, 1949—4 p. m.

Delga 38. Following are decisions taken at delegation meeting today :

1. *Council States* :¹

SC: After noting firm decisions to support India and Yugoslavia had already been taken, and after being informed LA caucus had agreed on Ecuador, delegation agreed US decision to support Ecuador

¹ A very detailed exposition of this subject is contained in the U.S. Delegation minutes for September 28 (US/A/M(Chr)/103), not printed.

for SC should be made known. At same time, delegation will indicate its hope that in future, LA states will establish a pattern of election to SC under which one of the LA seats will always be occupied by one of the larger LA states.

ECOSOC: Delegation confirmed previous decision to support Canada, Pakistan, Iran and US; in absence any specific EE candidate to succeed Byelorussia, deferred decision this seat; and as regards LA seat agreed to take line that Mexico was strongly preferred candidate if chosen by LA caucus, subject to developments re Argentine TC candidacy.

TC: Delegation agreed inclination to support Lebanon would be indicated in order to precipitate decision among Arab candidates, but reached no final agreement re successors to Mexico and Costa Rica. Delegation will explore possibility of Scandinavian candidate on basis of views European states this matter and of willingness of LA states to give up seat. Delegation discussed desirability of supporting Argentina and Dominican Republic. The chairman indicated that it might be necessary for him to make a decision in the matter.

[Here follows summary of discussion regarding China.]

IO Files: US/A/M(Chr)/105

*Minutes of the Eleventh Meeting of the United States Delegation,
New York, September 30, 1949, 9:00 a. m.*

SECRET

[Here follows list of names of persons (40) present. The Secretary of State was in attendance at this meeting. A review of developments in committees was begun.]

Mrs. Roosevelt said she believed the Delegation would be interested in the views Mr. Lie had expressed to her last night at dinner. The Secretary-General had told her that Americans did not understand the Russians. She had replied that she thought the Russians were a little difficult for everybody to understand. He had gone on to say that we were doing things which were a direct affront to Stalin who hated the Yugoslavs more than anyone else, the present struggle with Yugoslavia being a fight for the Communist leadership of the world. This struggle was an important matter of personal prestige to Stalin. Therefore, the support of the United States for Yugoslavia's candidacy for the Security Council, and our action on China were most dangerous. Mr. Lie expressed the fear that they might cause the Soviet Union to leave the United Nations. Mrs. Roosevelt asked whether he feared the Soviets would go to war. He did not, his only fear being their withdrawal from the United Nations. He thought we were moving too fast. He had advised the Yugoslavs to move more slowly and

not to take an aggressive attitude. He expressed his sympathy with the Yugoslavs but thought they were moving too fast, and the results frightened him. This was the third of the crises which had frightened him, the first being Berlin, the second when Norway had joined the Atlantic Pact, and now this. Mrs. Roosevelt said she had made no response to these statements. Mr. Lie had added that he felt that Yugoslavia, China and the United States were all to blame for this crisis situation as they had not thought things through.

[Here follows discussion of the "Chinese item". Secretary Acheson outlined his views in support of some remarks made by Ambassador Jessup.]

The Secretary referred to Mrs. Roosevelt's report of her conversation with Mr. Lie. He believed his remark as to the intensity of Russian feeling on this matter was entirely true for the Soviets regarded this as an internal matter—heresy from within which it was vital to stamp out. That was one reason why Mr. Lie had the right to be alarmed. He regarded the problem created by Yugoslavia putting itself forward for the Security Council as a difficult one. He personally wished they had not done so, for they had added to the difficulties of the world in doing it. However, once they had put themselves forward we had to make up our mind between candidates. He considered it was very important that Yugoslavia be the preferred candidate, because this would put both Yugoslavia and the Soviets on the Security Council where they should be when discussion of the situation in that area took place.

Mrs. Roosevelt commented that Mr. Lie had told her he believed that there was no danger of war between Yugoslavia and the Soviets because the latter would try to bring about an internal revolution. He hated to see that happen and expressed wonder that Tito had not been killed. The Secretary remarked that one danger in the situation would be that the Greeks might lose their self-control and move into Albania, after which Tito would move in also, as would the Soviets.

[Here follow concluding remarks about China and discussion of Council slates.]

IO Files : US/A/1840

Memorandum of Conversation, by Mr. Thomas F. Power, Jr., Deputy Secretary-General of the United States Mission at the United Nations

SECRET

[NEW YORK,] October 3, 1949.

Mr. Cordier¹ told me today that Mr. Vishinsky² had entertained

¹Andrew W. Cordier, Executive Assistant to the Secretary-General of the United Nations.

²Andrey Yanuaryevich Vyshinsky, Soviet Minister for Foreign Affairs and Chairman of the Delegation of the Soviet Union to the General Assembly.

at dinner on September 30 the Secretary-General, General Romulo, Dr. Arce³ and Dr. Padilla Nervo.⁴ Lie's impression was that the dominating passion of the Soviets at this Assembly was hatred of Yugoslavia. In this connection General Romulo is considering proposing a deal whereby Yugoslavia's Security Council candidacy would be dropped, in return for which Yugoslavia would be given a seat on ECOSOC, the first paragraph of the Soviet Resolution⁵ would be dropped, and the Soviets would adopt a more conciliatory attitude toward Greece and command Albania and Bulgaria to do likewise. In this connection Mr. Vishinsky was asked whether his statements indicated that the Soviet Union would adopt a more conciliatory attitude toward Greece. His answer was "Yes, of course". The interpreter first translated Mr. Vishinsky's answer as simply "yes", whereupon Vishinsky corrected him, to add the words "of course".

Mr. Cordier is advising Mr. Lie and Mr. Romulo that any *quid pro quo* from the Soviets must be of substantial size and not just as had been suggested by some that they would drop the first paragraph of their resolution.

I told Mr. Cordier for his personal background information that he should know that the Soviets had been taking a very strong line in the Austrian Treaty negotiations⁶ and were adamant in their demands. I asked him not to pass this information on, but to keep it in mind when the Soviets made promises. He speculated that this would fit in with the passion against the Yugoslavs, since it was quite possible that the Soviets wanted to stay on in Austria to keep the Red Army in a threatening position against Yugoslavia to the north, and at the same time might want to disengage Albania and Bulgaria from the attack on Greece, to enable them to attack Yugoslavia.

With these circumstances in mind, Mr. Cordier is delaying the plenary session of the Assembly at which the Security Council elections will be held until it can be seen whether there is a possibility of securing a real settlement of the Greek question. He agreed that the prospects of this would be better judged after the initial meetings with the Albanians and Bulgarians the early part of this week.

³ José Arce, Permanent Representative of Argentina at the United Nations and Head of the Argentine Delegation to the General Assembly.

⁴ Luis Padilla Nervo, Permanent Representative of Mexico at the United Nations and Head of the Mexican Delegation to the General Assembly.

⁵ For documentation regarding this matter, see pp. 72 ff.

⁶ For documentation regarding this subject, see vol. III, pp. 1066 ff.

IO Files : US/A/C.1/1213, also US/A/1832

Memorandum of Conversation, by Mr. John C. Ross of the United States Delegation Advisory Staff (Austin)

SECRET

[NEW YORK,] October 3, 1949.

Participants: General Carlos P. Romulo, President of the General Assembly
John C. Ross, United States Delegation

[Here follows discussion of the "Russian Resolution".]

Yugoslav Candidacy for the Security Council

Romulo said he wanted to talk to me about the action of the United States in indicating that it intended to vote for Yugoslavia. He said he thought we should not have done this, at least not so soon. I asked the General why he had this view of the matter. He replied that he felt the question of election of Yugoslavia to the Security Council was very unimportant. On the other hand he felt it would increase tension substantially in the United Nations. He said that these were all Communist countries and it did not matter which one we elected to the Security Council. He thought there was no way of telling whether within a very short period the Yugoslav Government might not patch up its differences with the Soviet Union. He said moreover the election of Yugoslavia would break up the United Nations.

I told the General I would, of course, report his views to the State Department which had given most careful consideration to this matter before we had made our decision known.

Expressing my personal view, I went on to say that I felt it was a mistake to adopt a timid posture when confronted with Russian opposition to some measure. I said that I was aware of Mr. Trygve Lie's views with regard to this matter and that it did not seem to me that we could solve any of these problems by running away from them. I added that I did not for one moment believe that the election of Yugoslavia to the Security Council would break up the United Nations.

I went on to say, still speaking personally, that there seemed to me to be two reasons underlying our decision to vote for Yugoslavia. First, on the merits and leaving aside any broader political considerations, it was quite obvious that if the choice were between Czechoslovakia and Yugoslavia we could certainly count on a more independent attitude on the part of Yugoslavia. This did not mean that I deluded myself in the slightest degree with regard to Yugo-

slavia's Communism, nor did I imagine that we could count on their support in the Security Council. Second, from a broader point of view, before the Yugoslav Government had decided to present its candidacy we had a strictly neutral position; if anything, we tended to discourage the idea of a Yugoslav candidacy. The Yugoslav Government, however, apparently after most careful consideration, having decided to put its candidacy forward, we were confronted with a new situation involving the principle of the independence of States, particularly the independence of small States, from great power domination.

Romulo asked me what I thought of the idea of electing Yugoslavia to the Economic and Social Council instead of the Security Council. He said he had in mind talking with Vishinsky and suggesting this idea to him, and try to get a "price" out of Vishinsky in return. I asked Romulo what price he had in mind. Romulo said he had not settled on this point but, for example, thought he might show him the Mexican redraft of the Russian Resolution and try to get Vishinsky to go along with this redraft in return for switching Yugoslavia to the Economic and Social Council. I made no comment on this suggestion other than to say I would report it together with the rest of the General's views to the Department.

In concluding our discussion of this subject, the General said that we could not get a majority vote. He said the United Kingdom as well as France would vote against Yugoslavia. Yugoslavia would get only four or five Latin American votes and very few others. He said the only Asiatic vote they would get would be the Philippines. Even China, he said, despite their present difficulties with the Soviets, would not vote for Yugoslavia.

The comments made by the General in this regard struck me as in general almost directly contrary to the information we have been getting from our own sources, and second as an effort to scare us out of our announced decision to vote for Yugoslavia for the Security Council. His comments also tended to confirm my suspicion that the Secretary-General is probably lobbying very actively against the Yugoslav candidacy.

501.BC/10-649 : Telegram

*The Acting Secretary of State to the United States Representative at
the United Nations (Austin)*

SECRET

[WASHINGTON,] October 6, 1949—9 p. m.

Gadel 34. Re Yugo candidacy SC, Dept believes it would be serious matter for Yugo if having gone so far in pressing her candidacy for

SC, she should ultimately fail to get elected.¹ Accordingly, it may be desirable in Del's discretion to point this out discreetly to other friendly delegates in such manner as not to place US prestige directly at stake on outcome.

Specifically, if question raised that support for Yugo would be incompatible with prior informal arrangement to have Soviet candidate on SC, US Del should point out that Yugo is Eastern European state, a communist state, and a Slav state; the only difference between Yugo and Russian candidate is Yugo is not presently under complete domination of USSR; to extent that there was any prior arrangement with USSR as to distribution SC seats, it was certainly not agreed that support would always be given Eastern European state completely subservient to Soviet Union.

WEBB

¹ The Department was kept informed in detail on a daily basis as to all relevant developments at the General Assembly by two series of telegraphic summaries, one secret and the other "open". These were transmitted to the Department from the Mission by pouch during the night.

501.BC/10-1149 : Telegram

The Ambassador in Czechoslovakia (Jacobs) to the Secretary of State

RESTRICTED PRIORITY

PRAHA, October 11, 1949—3 p. m.

1494. Following is translation (supplied by Foreign Office) note handed me this morning by Deputy Vice Foreign Minister Hajdu which is being referred to in separate message:

"The Ministry of Foreign Affairs presents its compliments to the Embassy of USA and has the honor to advise that Czechoslovakia, supported by the delegates of the Union of Soviet Socialist Republics, the Soviet Socialist Republic of the Ukraine, the Soviet Socialist Republic of Byelo-Russia and Poland, is a candidate for the seat on the Security Council vacated by the Soviet Socialist Republic of the Ukraine, as the sole candidate put forward by the Eastern European states for which this seat is reserved in accordance with the agreement, denied by no one, among the leading founder-members of the UN, just as the other non-permanent seats are reserved for other geographical groups of states. Czechoslovakia, like the other countries that support her candidature, has always faithfully observed this agreement and will do so also on this present occasion, leaving the choice of the actual candidate to the geographical group concerned.

"The Ministry of Foreign Affairs is convinced that respect for this principle, particularly so in this case, will have a beneficial influence on cooperation within the UN in the interest of all the member states, as well as on the relations between Czechoslovakia and the member states concerned.

"The Ministry of Foreign Affairs avails itself, etc etc."

JACOBS

501.BC/10-1149 : Telegram

The Ambassador in Czechoslovakia (Jacobs) to the Secretary of State

RESTRICTED PRIORITY

PRAHA, October 11, 1949—4 p. m.

1495. In handing me this morning note telegraphed mytel 1494 October 11, Hajdu went to great pains emphasize that support by US of Yugoslavia for non-permanent seat on Security Council as representative of Eastern European states contrary to choice (Czechoslovakia) of all Eastern European states except Yugoslavia, was placing great strain upon friendly relations between USA and Czechoslovakia. His second point was that, since it was accepted practice in UN permit regional areas to agree among themselves upon who should occupy non-permanent seats on Security Council, USA support of Yugoslavia tended make it more difficult carry on work UN. He concluded by expressing earnest hope that US would not continue back Yugoslavia contrary to wishes of all other Eastern European states.

Informed Hajdu that I would telegraph note to Washington.¹

Have been advised by my British and French colleagues that they also received similar notes this morning.

JACOBS

¹ In telegram 1050, October 19, 3 p. m. (501.BC/10-1149), the Department cabled back to Ambassador Jacobs as follows:

"Reurtel 1494 and 1495 pls inform this Govt regrets that his Govt views US intention to vote for Yugo for seat on SC as placing strain on friendly relation between US and Czechs. Charter provides that in selection of non-permanent members of SC due consideration will be given to equitable geographic distribution. This Govt in considering Yugoslavian candidacy points out that Yugo is Eastern European state, and happens also to be communist state and Slav state and its election to Council wld be in conformity with criteria outlined in Art 23. We do not believe that either agreement, practice or custom justifies the position of Czech Govt, a position having no basis in Art 23, that a Member of UN must cast its vote solely for the candidate put forward as that of a regional area."

The substance of this message was "conveyed to Hajdu orally October 21. He made no comment except routine reiteration of position that UN members are obligated to vote for candidate put forward by majority of states in a geographic area." (Praha telegram 1586, October 24, 501.BB/10-2449)

IO Files : US/A/1895

*Memorandum of Conversation, by Mr. John C. Dreier, Adviser,¹
United States Delegation to the United Nations General Assembly*

CONFIDENTIAL

[NEW YORK,] October 11, 1949.

In a conversation on other matters, I mentioned to Ambassador Valverde² the interest with which I had heard his remarks briefly

¹ Mr. Dreier was Chief, Division of Special Inter-American Affairs, Department of State.

² Emilio Valverde, Costa Rican Ambassador to Mexico and Head of the Delegation of Costa Rica to the General Assembly.

the other day to the effect that the Soviet Union was making strenuous efforts to influence the Latin-Americans against voting for Yugoslavia. He confirmed this, saying that Katz-Suchy of Poland had told him in no uncertain terms that the election of Yugoslavia would mean the disruption of the United Nations.

Valverde felt that this propaganda was having some effect on some Latin-American delegates who feared that the United Nations might actually be in grave jeopardy—he again mentioned Venezuela and possibly Mexico and Argentina as being delegations which might have softened on this point.

Incidentally, Ambassador Valverde referred to the fact that Ambassador Jessup in Committee 1 this morning had nominated Czechoslovakia for the sub-committee on Italian Colonies and inquired whether that reflected any change in our attitude. I assured him that it did not.

501.BC/10-1349 : Telegram

The Ambassador in Norway (Bay) to the Secretary of State

SECRET

OSLO, October 13, 1949—6 p. m.

690. Chief of Political Section, Anker, informed Embassy officer today in strict confidence Norway's position on election Yugoslavia to SC has been subject numerous meetings and that Yugoslavs have pressed Norwegians both at UN and in Oslo to support them.

Norway, however, will cast its vote for Czechoslovakia since it feels obliged to honor its commitment to vote for the candidate proposed by the Soviet bloc rather than "Communist candidate from Eastern Europe". Should a deadlock develop or should Yugoslavia receive a majority of less than two-thirds, then Norwegians delegation is authorized to abandon Czechoslovakia and vote for Yugoslavia. Anker believes it probable that Danish and Swedish delegations will follow same procedure.

Sent Department; pouched Copenhagen, Stockholm.

BAY

501.BB/10-1349 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

NEW YORK, October 13, 1949—10 : 42 p. m.

Delga 95. USGADel today received initialed joint *note verbale* dated October 11, through Polish GADel, from Byelorussian, Czech, Polish, Ukrainian and USSR GADels stating that in consultation with each other and conformity with charter article 23, paragraph 1 concerning

equable geographical distribution of seats of non-permanent SC members, they proposed candidacy of Czechoslovakia for seat of Ukraine. Expressed hope that USGADel will support candidacy at forthcoming SC elections.

AUSTIN

IO Files : US/A/1899

*Memorandum by the Principal Executive Officer of the United States
Delegation (Popper) to Area Advisers of the Advisory Staff*

[NEW YORK,] October 13, 1949.

Certain questions have arisen regarding the manner in which the elections for UN Council seats, scheduled for next week, will be held. It is suggested that area advisers familiarize themselves with rules 84, 85 and 86 of the Assembly's rules of procedure which cover this point.

Under Article 18 of the Charter, a two-thirds majority is required for the election of Members to UN Councils. Elections are held by secret ballot; there are no nominations. It is the practice, for each Council election, to have Members write on the ballot the names of as many countries as there are seats to be filled for that particular Council—for example, on the first ballot for the Security Council, each Member will be asked by the President to write the names of three states on the ballot since there are three seats to be filled. If one candidate should then receive the necessary two-thirds majority, that candidate would be declared elected and a second ballot would be taken, in which each Member would vote for two choices, the voting being restricted to the four candidates which, apart from the state already elected, had received the greatest number of votes in the first ballot. If this process fails to produce a two-thirds majority for any other candidate in three successive ballots, the procedure set forth in rule 86 will be used to break the deadlock.

Some reference has been made to the possibility of "abstaining" in voting for a particular candidate, such as Yugoslavia. It is important, to note that there is no way of abstaining in such an election, short of failing to vote, casting a blank ballot, or casting an invalid ballot. The majority necessary for election is two-thirds of the Members present and voting—that is, 40 votes if all 59 Members cast valid ballots. If a Member seeks to "abstain" on Yugoslavia by not voting for any Slav candidate, but instead for two or three non-Slav candidates, the result would be to cut down the number of votes for Yugoslavia although the number of votes required for election would remain the same. Thus, an "abstention" in this sense is equivalent to a negative vote, and if a sufficient number of states followed this practice the

resulting tendency would be to strengthen non-Slav candidates at the expense of the Slav candidates. It is probably desirable, therefore, to ask states which say they will abstain in the Security Council vote on Yugoslavia, to explain exactly how they mean to do so, and to point out to such states that in fact an abstention of the type described above will amount to a negative vote, insofar as the election of Yugoslavia is concerned.

10/UNP Files : ¹ Lot 59D237, Box 7210, "Slates for UN Organs (1949)"

Memorandum by Miss Sheila McCulloch of the Office of United Nations Political and Security Affairs to the Director of the Office (Bancroft)

SECRET

[WASHINGTON,] October 17, 1949.

Subject: Commitments made to the Soviets on Distribution of Security Council Seats

Records in the Department indicate that there was no commitment made to the Soviet Union to select a nation of their choice for representation on the Security Council.² The United States position in London based on USPCSC 1a, Memorandum No. 3 of August 22, 1945, was that "it would be desirable to adopt the practice of always including among the non-permanent members of the Security Council one member of the British Commonwealth, one country from Eastern and Central Europe, one country from Western, Northern, and Southern Europe, two countries from the other American Republics, and one country from the Near East and Africa." *

Big Five discussion held in London during September 1945³ considered the question of the selection of non-permanent members of the Security Council and "there was general agreement that an effort should be made to avoid seating smaller nations on both Councils (Economic and Social Council and the Security Council) and on the criteria for choosing members of these two Councils along the lines discussed...in Washington." †

¹ Miscellaneous subject files of the Office of United Nations Political and Security Affairs for the years 1945-1957, as retired by the Bureau of International Organization Affairs.

² The reference is to the records of the United States Delegation to the Preparatory Commission of the United Nations which met at London, November 24-December 23, 1945, and to the Executive Committee of the Preparatory Commission which had met also at London August 16-November 23, 1945. These records are in the Archives of the United States in Department of State Lot 60D224.

*USPC SC 1a Memorandum No. 3, August 22, 1945, Annex 1. [Footnote in the source text; printed p. 267.]

³ This is a reference to the meetings of the Executive Committee of the Preparatory Commission.

† Copre 119, Telegram 9652 from London, September 19, 1945. [Footnote in the source text; for text, see *Foreign Relations*, 1945, vol. I, p. 1449.]

The Department answered Stettinius' ⁴ Copre 119 stating that we strongly favored the slate for non-permanent members proposed in the memorandum of August 22. A final decision awaited discussion with Braden and the Secretary and the only question at issue, apparently, was the size of western Hemisphere representation.† The Department's final decision was that we should stand by the original slate for non-permanent members of the Security Council proposed in the memorandum of August 22.§ This was again confirmed in Preco 190, Telegram 9059, October 12, 1945 and Preco 289 November 16 which forwarded the Department's position on Tentative Slates for the Secretary General, members and officers of the Security Council, etc.⁵ This document followed the position set forth in the August 22 memorandum with the additional language "subject to the condition that the country elected is capable of making an important contribution to the maintenance of international peace || as criteria other than geographic distribution."

The question of slates came up again in December. The minutes of the Big Five consultations make one reference to the Soviet attitude.

"Gromyko ⁶ then changed the subject to the non-permanent members of the Security Council and Webster ⁷ said that he thought something like Brazil, Canada, Netherlands, Poland or Czechoslovakia, an Arab state and a Latin American state—Colombia or Mexico—would be about right. Gromyko asked if Belgium would not be preferable to the Netherlands and the professor indicated that the Netherlands, in his opinion, was a much greater power. Koo suggested that another Asiatic state should be considered, and Gromyko said that that meant only Iran or India. Gromyko said Iran should be included among the Arab states." ¶

At this time, however, the question of representation on the General Committee and distribution of offices of the General Assembly arose.

⁴ Edward R. Stettinius, Jr., the former Secretary of State and at this time United States Representative on the Preparatory Commission.

† Preco 93, Telegram 8346 to London, September 22, 1945, Secret; Memo from Mr. Pasvolsky to Under Secretary Acheson, September 26, 1945, Annex 2. [Footnote in the source text; neither printed.]

§ Preco 136, Telegram 8674 to London, October 1, 1945, Secret. [Footnote in the source text; not printed.]

⁵ For Preco 289, see *Foreign Relations*, 1945, vol. I, p. 1475, footnote 2. The reference to Preco 190, October 12, 1945, is in error and cannot be verified.

|| US/PC Gen 104, Tentative U.S. Slates for SYG, SG, etc., November 15, 1945. [Footnote in the source text. For contents of the document, see the Secretary's Staff Committee Working Paper (SC-171/8), November 15, 1945, *Foreign Relations*, 1945, vol. I, pp. 1475-1479.]

⁶ Andrei A. Gromyko, Soviet Representative on the Preparatory Commission.

⁷ Sir Charles K. Webster, British Representative on the Preparatory Commission.

¶ Secret Memorandum of Conversation between Ambassador Gromyko and Adlai Stevenson, December 24, 1945 (USPC Gen (1) 1 Conversation 95). [Footnote in the source text; see London telegram 13582, Copre 671, December 24, 9 p.m., *Foreign Relations*, 1945, vol. I, p. 1506. (On October 16, 1945, Stettinius had returned to the United States because of ill-health and Adlai E. Stevenson, the Deputy U.S. Representative on the Preparatory Commission, became Acting Representative.)]

There was a considerable exchange of this subject which has been dealt with in a memorandum from Mr. Sanders to Mr. Notter.**

The delegation to the First Session of the General Assembly was briefed on the subject of slates along the following lines:

"Regarding the election of the non-permanent members of the Security Council, Mr. Hiss stated that the Department's position was that there should be elected to the six available seats one Western European member, one British Commonwealth member, two Latin American members, one from the Near East and Africa, and one from Eastern Europe. Mr. Hiss^{*} continued that the preliminary negotiations on the slate had already been taken up in London and the U.S. position on the composition of the slates had been explained to certain states. It had been made very plain in London, and Mr. Hiss wished to emphasize the point, that the United States has drawn up slates which the Department thought on balance would be reasonable, but that for most part the slates were not to be taken as inviolable and immutable. Since the Charter emphasized equitable geographic distribution of council membership, the Department had thought the states in the various areas should be consulted concerning their wishes and it was the general intention of the United States to support only a state which was supported by its neighbors. For instance, Egypt would be supported for the Security Council in the event that it was supported by the Arab League. In the event that the Arab League supported another Near Eastern power, the Department would have to reconsider its position. The United States needed to keep freedom of choice to be sure in the future that some entirely objectionable state was not put forward as a candidate which we would be committed to support under the geographic formula." ††

[Annex 1]

USPC SC 1a[°]

Memorandum No. 3

[WASHINGTON,] August 22, 1945.

SELECTION OF NON-PERMANENT MEMBERS OF THE SECURITY COUNCIL

The Charter provides that in the election of the six non-permanent members of the Security Council due regard is to be "specially paid, in the first instance to the contribution of Members of the United Nations to the maintenance of international peace and security and

^{*} Alger Hiss, Director of the Office of Special Political Affairs, in charge of matters relating to the United Nations in the Department of State.

[°] This document is from the files of the United States Delegation to the Preparatory Commission and is in Department of State Lot 60D224, Archives of the United States.

^{**} See Annex 3. [Footnote in the source text; printed herein as Annex 2, p. 268.]

^{††} USGA/Ia/Del Min./1 (Chr) US Del to GA, First Del Meeting, January 2, 1946. [Footnote in the source text; for text, see *Foreign Relations*, 1946, vol. 1, p. 117.]

to the other purposes of the Organization. and also to equitable geographical distribution.”

It is recommended that it would be desirable to adopt the practice of always including among the non-permanent members of the Security Council one member of the British Commonwealth, one country from Eastern and Central Europe, one country from Western, Northern, and Southern Europe, two countries from the other American Republics, and one country from the Near East and Africa. Eventually some provision will have to be made for a Far Eastern group. This is not of current importance as the only Far Eastern member country eligible for a non-permanent seat is the Philippine Commonwealth.

In order to assure continuously a strongly constituted Security Council it is important to bear in mind not merely the initial election but a series of elections. This is particularly true because at the initial election three non-permanent members will be chosen for terms of only one year, instead of the regular term of two years.

It is recommended that we should favor the following slate for the first three elections to the Security Council:

<i>First Election</i>	<i>Second Election</i>	<i>Third Election</i>
Brazil (2 years)	Peru
Canada (2 years)	Australia
Netherlands (2 years)	Belgium
Poland (1 year)	Czechoslovakia
Egypt (1 year)	Turkey
Venezuela (or Mexico) (1 year)	Mexico (or Venezuela)

Our thought is that Mr. Stettinius would discuss this question (along with related questions of positions elsewhere in the Organization) in an exploratory way when he arrives in London particularly with the representatives on the Executive Committee of the Big Five and thereafter with the representatives of the three Latin American countries (Brazil, Chile and Mexico). Subsequently we would informally discuss these questions directly with all the Latin American countries concerned.

[Annex 2]

Memorandum by Mr. William Sanders of the Division of International Organization Affairs to Mr. Harley A. Notter of the Office of Special Political Affairs

SECRET

[WASHINGTON,] April 23, 1947.

Subject: London Commitments on Distribution of Offices of General Assembly.

The exchange of telegrams between the Department and the U.S. Delegation in London, and the pertinent memoranda of conversations,

including three among the Big Five, do not disclose that any commitments, for the second session were made with respect to the distribution of offices in the General Assembly. The record in our office indicates that the distribution of posts agreed upon at London was limited to the first regular session.

1. *Telegram Between the Department and the U.S. Delegation:*

(a) On December 8, 1945 (Copre 516)¹⁰ Mr. Stevenson reported that Gromyko would accept a General Committee of fifteen, "conditional on assurances that the U.S. will support the allocation of four seats on this Committee to Eastern Europe, including the Soviet Union, which will doubtless be elected one of the Vice-Presidents along with the other great powers." Gromyko assumed that on this basis there should be four seats for the American Republics, including the U.S., five seats for all of Western Europe and the British Dominions, and one seat each for the Arab States and China. When Mr. Stevenson asked how long he would expect the U.S. to support four seats for Eastern Europe, Gromyko said "indefinitely" but added that after the first session, they would be glad to reconsider and "possibly would agree to allocate an additional seat to Western Europe and the Dominions by increasing the membership of the Committee." Mr. Stevenson felt that we could safely support Gromyko's proposal, but that it would not be appropriate to "give him any assurances thereafter beyond our obvious anxiety to see adequate representation of Eastern Europe at all times."

(b) The Department answered Mr. Stevenson's cable on December 10 (Preco 381)¹⁰ by stating: "We feel that a maximum of three places for Eastern Europe, including the Soviet Union, would represent a fair geographic distribution. We would be willing to vote for the Soviet Union and two other Eastern European countries in the first General Assembly. While we cannot at present give any assurances beyond that meeting, we would give every consideration to the need for a fair representation of Eastern Europe in the circumstances at the time of the election, and taking count of past practice."

The Department's general line was of course related to the number of positions available. It stated in this telegram: "It appears to us that if there were to be two Vice-Chairmen and a Rapporteur of each committee, the total number of positions might be sufficient to make it feasible for us to vote for Eastern European candidates for two Vice-Chairmen and one Rapporteur as proposed by Gromyko. In such case this would be in addition to the three places on the General Committee."

(c) A telegram of December 15, 1945 (Preco 398)¹⁰ confirmed these instructions. It stated: "We feel that for the GA posts as a whole, the

¹⁰ Not printed.

allocation of three posts to Eastern Europe is fair, and accordingly, are prepared to give general support to the allocation to Eastern Europe of three places on the General Committee, if you think general support as opposed to a mere commitment is expedient." It went on to say we might vote for but not actively support an Eastern European candidate for one of the Vice-Chairmanships or Rapporteur. Finally, the telegram stated: "As regards any allocations beyond this point, we must reserve a free hand to consider the situation as it develops in the light of candidacies of other Member countries for General Assembly posts."

A background instruction included in this telegram explained: "Unless there are enough posts to provide one for each member of the Assembly, a situation which we understand will not arise, we feel that not more than one of the constituent Soviet Republics, in addition to the Soviet Union, should have a post in the General Assembly. For example, if the Soviet Union and one constituent Republic should be elected to the General Committee we should not vote for the other constituent Republic for any GA post. If, on the other hand, the Soviet Union alone is on the General Committee, we should not vote for more than one constituent Republic for any posts outside the Committee."

(d) Mr. Stevenson then reported on December 14 (Copre 588) ¹¹ that he had made the following commitment:

"On a Committee of 14 we will vote for and make known our intention to vote for three representatives from the Eastern European States; we will vote for and make known our intention to vote for an Eastern European state for one Vice Chairmanship: this undertaking is limited to the first General Assembly. He (Gromyko) has also been told informally and expressly without commitment that an additional post by rapporteur (sic) is quite likely."

This same telegram expressed the opinion that a committee of 14 would be acceptable to Gromyko, and went on to say: "In exchange for a commitment from U.K. on representation for Eastern Europe, he only had to offer no further objection (sic) to the General Committee and a disposition generally to support U.S. in things we wanted at the General Assembly not inconsistent with interests of the Soviet Union."

(e) A telegram from the Department of December 18 (Preco 417) ¹¹ asked for "any additional information you can give us on any assurances that may have been given among the Five Powers, bearing on the allocation of General Committee and other Assembly posts." The telegram suggested consultation among the Big Five, and stated the assumption that "in any such discussions, you will not favor the allo-

¹¹ Not printed.

cation to the Eastern European states of any Assembly posts beyond the three General Committee posts and the one Vice-Chairmanship of a Main Committee."

(f) The last report from Mr. Stevenson on December 24 (Copro 671),¹² a general discussion of slates, adds little additional information. Gromyko raised the question of officers of the Assembly and seemed surprised that the same officers would serve at both parts of the first session. For this reason he felt, "that the consideration of officers for the First Assembly was connected with the consideration of officers for the Second Assembly." There was no discussion of officers for the Second Session, except that Koo (China) expressed readiness to support Norway for President at the first session and an Eastern European state for the second session.

2. *Memoranda of Conversations at London:*

The memoranda of conversations covering the question of distribution of offices in the General Assembly were transmitted to the Department in the telegrams described in (1) above. (See Attachments A and B.)¹³

3. *Big Five Consultations:*

On January 9, 10 and 11, 1946 at meetings of the Big Five there was a general discussion of the selection of members of the General Committee.¹⁴ Agreement was reached on the application of most of the principles of distribution discussed above, and specific candidates were chosen. (See Attachment C, D, and E.)¹⁵

4. *Final U.S. Position on Slates:*

The final developments on slates before the elections are shown in attachments F, G and H. It will be noted that the principles agreed to above were applied.

5. *Results of Elections:*

The results of the elections led to the following distribution of seats:

President of the General Assembly—Belgium	
Seven Vice-Presidents of the General Assembly	
China	U.S.
France	Union of South Africa
U.K.	Venezuela
U.S.S.R.	

¹² *Foreign Relations*, 1945, vol. I, p. 1506.

¹³ Reference uncertain.

¹⁴ For the minutes of these meetings, see *Foreign Relations*, 1946, vol. I, pp. 141-147, 148-151, 153-156, respectively.

Committee 1

Chairman : Ukrainian Soviet Socialist Republic

Vice-Chairman : Luxembourg

Rapporteur : Ecuador

Committee 2

Chairman : Poland

Vice-Chairman : Philippine Republic

Rapporteur : Bolivia

Committee 3

Chairman : New Zealand

Vice-Chairman : Costa Rica

Rapporteur : Norway

Committee 4

Chairman : Uruguay

Vice-Chairman : Ethiopia

Rapporteur : Czechoslovakia

Committee 5

Chairman : Syria

Vice-Chairman : Yugoslavia

Rapporteur : Greece

Committee 6

Chairman : Panama

Vice-Chairman : Denmark

Rapporteur : Canada (1st Part of 1st Session)

Australia (2nd Part of 1st Session)

IO Files : US/A/1931

*Memorandum of Conversations, by Mr. G. Hayden Raynor, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK.] October 17, 1949.

Subject : Yugoslav Candidacy for the Security Council

Participants :

Separately with—Dr. Arne Sunde, Norwegian Delegation

Mr. Sven Grafstrom, Swedish Delegation

Ambassador Kauffmann, Danish Delegation

Mr. Thor Thors, Icelandic Delegation

Ambassador Jooste, South African Delegation

Mr. G. Hayden Raynor, United States Delegation

Norway

I called Dr. Sunde for the purpose of inquiring whether he thought it would do harm or good if we had Ambassador Bay in Oslo speak to Foreign Minister Lange to tell him of the importance we attach to Yugoslavia's election. Dr. Sunde told me that he had received over the weekend the wrong instructions. He said under the circumstances he did not think it was advisable or that it would do any good for us

to mention the matter in Oslo. He said he would be very glad to talk about the matter further at Ambassador Jessup's dinner tonight. He seems quite concerned over his instructions.

Sweden

Mr. Grafstrom indicated the Swedish position of favoring Yugoslavia is unchanged.

Denmark

Mr. Kauffmann, in answer to my inquiry, stated that the trend as far as Denmark is concerned is still favorable. From press services we heard that the Danish Delegation here has not received final instructions.

Iceland

I asked Mr. Thors if he thought it would be beneficial or harmful if we had our people in Reykjavik mention the importance we attach to Yugoslavia's election to his Foreign Minister. He said without hesitation that he thought it would not be a wise thing for us to do. He said he was quite confident he would get the right instructions.

South Africa

Ambassador Jooste told me he was fairly confident that he would receive the right instructions. He said he had put up the case to his Government as I had given it to him as he had agreed with what I had said.

IO Files : US/A/1941

*Memorandum of Conversations, by Mr. G. Hayden Raynor, Adviser,
United States Delegation to the United Nations General Assembly*

SECRET

[NEW YORK,] October 18, 1949.

Subject: Yugoslav Candidacy for the Security Council

Participants: Ambassador Arne Sunde, Norwegian Delegation
Justice Terje Wold, Norwegian Delegation
Ambassador Henrik Kauffmann, Danish Delegation
Mr. G. Hayden Raynor, United States Delegation

At Dr. Jessup's dinner last night Ambassador Kauffmann stated that he had just received instructions similar to the Norwegian instructions directing his delegation to vote for Czechoslovakia but apparently, as is also the case with the Norwegians, he has authority to switch at some point in the balloting to Yugoslavia. Kauffmann is not certain from the wording of his instructions as to just what point he can switch. Sunde's instructions read that he can do it in the event of an

impasse but he also is not certain as to how to define an impasse. Both intimated that the English may have had something to do with these instructions and both seem to feel that the Norwegian and Danish Foreign Ministers had consulted on the matter before sending their respective instructions. Sunde, in particular, seems to attribute the situation to British initiative and I am told that he spoke rather bitterly to Mr. McNeil during the course of the evening about the whole matter. Both Sunde and Kauffmann indicated that if the English change their position, they felt confident they could get their own positions changed.

Sunde left the dinner early in order to discuss this whole question with the Norwegian Minister of Defense who was leaving late last night for Norway so that the Minister could raise the question when he reaches Norway in an attempt to have the instructions changed. Sunde told me this morning that the Minister of Defense agreed with his position completely and he is rather hopeful that he will be able to accomplish something when he gets back to Norway.

Justice Wold told me today that the Delegation also telegraphed back asking for reconsideration. He said he was depressed about the whole matter as he thought the decision indicated a lack of thought in Oslo whereas he and other members of the Delegation here had given it very serious study.

As Dr. Sunde stressed the secrecy which they attached to the matter, I thought it only proper to inform him last night that we had heard of this yesterday afternoon at Lake Success from two newspapermen, one a Scandinavian and one an American.

IO Files : US/A/1942

*Memorandum of Conversations, by Mr. G. Hayden Raynor, Adviser,
United States Delegation to the United Nations General Assembly*

CONFIDENTIAL

[NEW YORK,] October 18, 1949.

Subject: Yugoslav Candidacy for the Security Council

Participants:

Conversations held separately with:

The Right Hon. Hector McNeil, United Kingdom Delegation

Mr. Roger Allen, United Kingdom Delegation

Mr. G. Hayden Raynor, United States Delegation

Mr. Hickerson and I spoke at some length to Mr. McNeil at dinner last night about this question, stressing the importance which we attached to the matter. We gained the definite impression that at some point in the balloting the British would be prepared to switch to Yugoslavia although Mr. McNeil did not state this definitely.

Today in conversation with Mr. Roger Allen I gained the same impression as Allen said he thought Yugoslavia would fall short on the first ballot and be elected on the second.

501.BB/10-1949 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

NEW YORK, October 19, 1949—12:22 a. m.

Delga 112. Following is unofficial translation, distribution by Soviet Delegation, of statement by Vishinsky at press conference, Lake Success, October 18, on Yugoslav candidacy for SC. (For summary, mytel 1269, Oct. 19: for succeeding questions, Delga 111, Oct. 19.¹)

"I have invited the correspondents today in connection with a matter which in view of the Soviet Delegation deserves attention. It is the question of the coming election to the SC of three non-permanent members to replace the representatives of the Argentine, Canada and the Ukrainian SSR. One might well ask: what necessity is there for a press conference and for a statement on my part on the eve of this election. Elections are not an infrequent occurrence in the UNO and, therefore, the above question would have been quite justified. I shall proceed immediately to answer that question and the answer, I hope, will make clear the reasons which prompted the Soviet Delegation to make a statement on the matter at today's press conference. I shall be brief.

Elections of the non-permanent members of the SC are known to be a rather complex and delicate matter, because the UN, in addition to the five permanent members of the SC, consists of 54 other nations and each one of these nations is entitled to lay claim for its representative to be elected to the non-permanent seats on the SC. But there are only six of these non-permanent seats. And this gives rise to all the difficulties. However, the UN can easily overcome all these difficulties provided all the members of the organization show good will and loyalty to the tradition that has been established in accordance with the principle expressed in Article 23 of the charter.

It will be recalled that this Article states that in the election of the non-permanent members of the SC due regard should also be paid to equitable geographical distribution. It will also be recalled that the agreement—gentlemen's agreement, I would call it—which still exists in this matter has hitherto been strictly complied with and, ac-

¹ Neither printed.

cordingly, elections to the SC have, in spite of occasional friction, yielded adequate and positive results.

What does the principle of equitable geographical distribution mean? It means exactly this: that all the principal regions of the world should be represented on the SC, and it is in accordance with this that the non-permanent seats in the SC should be distributed. In virtue of this principle and of the tradition established in connection with it the countries forming part of a particular geographical area nominated their candidate for non-permanent seat in the SC, by an agreement among themselves, and all the other delegations accepted this nomination as a fact without entering into a discussion as to why this or that particular country was nominated. In this way the question of the candidacy from a particular geographical region for non-permanent seat on the SC was decided by the countries belonging to the geographical region concerned, and no other rival candidate has hitherto been nominated or elected.

It will be recalled that in 1946 Australia, Brazil, Egypt, Mexico, The Netherlands and Poland were chosen as the six non-permanent members of the first SC. Ever since the representative of a state from the same geographical region was invariably chosen to replace a retiring non-permanent member of the SC. Thus at the end of 1946 new members belonging to the same geographical regions were elected in place of the three non-permanent members who had been chosen for a term of one year. Belgium was elected in place of The Netherlands, Syria replaced Egypt and Colombia replaced Mexico. In 1947 when the term of office of Australia, Brazil and Poland expired the Argentine was chosen in succession to Brazil, Canada in succession to Australia and the Ukrainian SSR in succession to Poland.

In this case too, two principles were fully and strictly complied with: the principle of equitable geographical distribution and the principle that the new candidate should be nominated by an agreement among the countries belonging to the geographical region concerned.

That is the way it was during all the preceding elections, during the four previous election campaigns, if I may so call them, and that was proper and lawful. It was lawful because it corresponded to Article 23 of the charter, it was proper because it was just and in accord with the established tradition and what I called the gentleman's agreement.

There is a desire now to violate all this. A desire to violate both the agreement and the law. A desire to violate them for the sake of certain considerations of political expediency. It has become known that as a result of a behind the scenes bargain between the USA and

certain other delegations who are supporting the USA Delegation, on the one hand, and the Yugoslav Delegation, on the other hand, and a group of delegations headed by the USA have the intention of placing the representative of Yugoslavia on the SC. This group of delegations does not want to take into consideration the fact that the countries belonging to the region of EE (Eastern European) have by an agreement among themselves nominated Czechoslovakia and not Yugoslavia. That, apparently, does not conform to the designs and plans of the USG which is prepared to lend its support to Yugoslavia's dissident actions in everything including the forthcoming election to the SC.

I would like to recall that in 1947 certain delegations again headed by the US attempted to nominate a candidate from the EE countries without taking into consideration the will of those countries. Notwithstanding the fact that those countries nominated the Ukraine as their candidate, the US tried to nominate Czechoslovakia and thus to set the Ukraine and Czechoslovakia at loggerheads. That attempt failed. The Czechoslovakian Delegation protested from the rostrum of the GA against such conduct on the part of the American delegation, protested against attempts to violate the charter and the tradition in accordance with which the elections of the non-permanent members of the SC had invariably been held.

Thus that attempt also failed. The intention now is to repeat the unsuccessful experiment of the past, to make use of the deterioration of relations between the countries of People's Democracy and Yugoslavia and to profit by this.

The plan is to weaken by this manoeuvre the position of the USSR in the SC, while some organs of the press have also mentioned the fact that the purpose of this manoeuvre is also to put pressure on the Soviet Government and to wrest from it certain concessions in a different question.

As far as Yugoslavia is concerned, the US, as *Newsweek* magazine put it in an article of October 17 last have decided to support Yugoslavia for membership instead of Czechoslovakia in the belief that the presence on the council of Yugoslavia 'the intended victim' as *Newsweek* called her, would act as a 'deterrent to the Russians.'

There is no need to talk of Yugoslavia in this case because the fact of a behind the scenes agreement of the Yugoslav Government with the Government of the US speaks for itself. The ancient Roman legal formula seems to hold true '*do ut des, facio ut facias*—I give in order that you may give, I do in order that you may do.' And in Russian they say in such cases: one hand washes the other.

If we examine the fact closely, we will see very clearly that the US and certain other supporting states in embarking upon machinations of this kind are not, of course, guided by the interests of strengthening the UN, of strengthening their authority and influence, of strengthening cooperation and mutual understanding. On the contrary such a step can only aggravate differences. It can only bear witness to the fact that the Anglo-American bloc has the intention of moving further along the path of deepening the split and reducing even the minimum degree of agreement in the work of the UN.

Such a step cannot be regarded otherwise than as a challenge flung to the countries of People's Democracy and to the Soviet Union. It is natural that such a step cannot fail to lead to complications inside the UN and to have painful effects on the state of affairs in the organization. Such machinations undoubtedly undermine the basis of the UN and first of all of the SC. But this is not the first time that an attempt is being made to undermine the basis of the SC to reduce its importance, to hamper its work in order to make it easier subsequently to shift the blame to the impossibility of achieving any positive results in the SC because of the principle of unanimity which is in force there. All this is well known and well understood by everybody. For that reason the long-range aim pursued by the organizers of this new attempt to strike at the SC is not a secret to anybody. One may rest assured that in the long run these machinations will crumble apart and the pernicious aim that is being sought will not yield the expected results.

It should be borne in mind, however, that an election of the non-permanent members carried out with such flagrant violations of the charter and of the established tradition could not be recognized as either lawful or just. That would be the attitude of the Soviet Delegation to this election, unless the majority of the GA rebuffs the sinister underhand designs of the enemies of unity and cooperation in the UN and takes steps to prevent such flagrant violation of the charter. The Soviet Union never has and never will reconcile itself to violations of the charter particularly those violations which undermine the very basis of the UN.”²

AUSTIN

² There was much reporting by the members of the Advisory Staff of the U.S. Delegation of conversations with members of other delegations regarding reactions to the Vyshinsky speech. The feeling was widespread that the speech had had no positive effect from the Soviet view. (IO Files, US/A series, October 1949)

IO Files : US/A/1871/Rev. 2

United States Delegation Working Paper

SECRET

[NEW YORK,] October 19, 1949.

TABULATION OF INFORMATION ON SC CANDIDACY OF YUGOSLAVIA AS OF
OCTOBER 19, 1949*

<i>For</i>	<i>Probably For</i>
United States	Sweden
Yugoslavia	Iceland
China	New Zealand
France	Costa Rica
Belgium	Peru
Egypt	Mexico
Syria	Venezuela
Lebanon	
Yemen	
Saudi Arabia	
Iraq	
Iran	
Turkey	
Greece	
Ethiopia	
Liberia	
Thailand	
Philippines	
Bolivia	
Chile	
Cuba	
Panama	
Paraguay	
Uruguay	
South Africa	
Netherlands	
Luxembourg	
Canada	
Guatemala	
Ecuador	
Brazil	
Dominican Republic	
Colombia	
Honduras	
El Salvador	
Nicaragua	
Haiti	
Australia	

*This information is drawn from Memoranda of Conversation between the Members of the United States Delegation and other Delegations. [Footnote in the source text.]

<i>Against</i>	<i>Probably Against</i>
USSR	India
Czechoslovakia	Denmark
Poland	
Byelorussia	
Ukraine	
United Kingdom	
Pakistan	
Israel	
Afghanistan	
Norway	
<hr/>	<hr/>
10	2
 <i>Abstain</i>	 <i>Unknown</i>
Burma	Argentina
<hr/>	<hr/>
1	1

IO Files : US/A/1985

*Memorandum of Conversation, by Mr. Thomas F. Power, Jr., Deputy
Secretary-General of the United States Delegation*

SECRET

[NEW YORK,] October 20, 1949.

Participants: Trygve Lie, Secretary-General of the United Nations
Mr. Thomas F. Power, Jr.

Early this afternoon Mr. Lie expressed to me grave concern about the Russian reaction at the election of Yugoslavia to the Security Council.¹ Although he was glad to see the Yugoslavs trying to break away from the Soviets, he thought they were very unwise to pick a fight on the issue of election to the Security Council. He thought the other Members of the Assembly were unwise to support the Yugoslavs. The Russians should have been told that if the Eastern European states could not agree on a candidate, the Assembly would elect someone from outside the area. This would have been less of a challenge to the Russians in the Yugoslav election. He said that although he had been deeply disturbed about this issue he had not discussed it with any other delegations, not even the Scandinavians. He had mentioned his concern only to Mrs. Roosevelt and to Mr. Rusk. He knew that they had informed the delegation but he was deeply concerned at the press leak of his conversation. He said he was able to deny it because it had been reported in a somewhat inaccurate form. He said

¹ For the record of elections on October 20 to the Security Council (nonpermanent members), the Economic and Social Council, and the Trusteeship Council, see GA(IV), *Plenary*, pp. 102-105.

that for the most part in the above mentioned conversation he had been quoting other delegations rather than giving his opinion. He believes that the leak came from departmental sources.

I reviewed our reasons for supporting Yugoslavia. Mr. Lie said he understood these and he fully realized this and the United States had not pushed the Yugoslav candidacy. However, he still thought we would have been wiser to elect a state from outside Eastern Europe rather than Yugoslavia.

Mr. Lie said he did not understand how the Russians could be such fools as to think they could elect Czechoslovakia while it was in the midst of a new purge. He had sent a message to the Russians on October 19 through Mr. Zinchenko² saying that they were sure to be defeated and had even made a bet with one of the Russians that Yugoslavia would be elected on the first ballot.

In answer to Mr. Lie's remark that a series of blows to the Russians might drive them out of the UN, I observed that I doubted they would leave the UN, particularly the Security Council, out of anger over the outcome of an election but only as the result of a deliberate purposeful decision. Mr. Lie agreed, but felt that a series of rebuffs like this would have the accumulative effect of persuading Russians that the UN was of less value to them.

Mr. Lie said that he would expect to see the Russian answer to the Yugoslav election in nine months to a year's time. When he had mentioned to Zinchenko his fear that the Russians would take some hasty step in answer to the election, Zinchenko had remarked that Moscow moved very slowly in important matters. Mr. Lie said he understood that it had taken the Russians nine months to decide to leave the WHO.

While I was in his office Mr. Lie gave orders that a master switch for the public address and simultaneous interpretation system should be installed on the President's desk to enable him to cut off speakers who were out of order as was Vishinsky in making a statement following the Security Council election this morning.³

² Constantin Zinchenko, installed on October 21 as the new Assistant Secretary-General in charge of Security Council Affairs.

³ GA(IV), *Plenary*, p. 103.

II. QUESTIONS RELATING TO CHINESE REPRESENTATION AT THE UNITED NATIONS

501.AA/6-2149

Memorandum by Miss Ruth Bacon, Special Assistant to the Director of the Office of Far Eastern Affairs (Butterworth), to the Chief of the Division of Chinese Affairs (Sprouse)

CONFIDENTIAL

[WASHINGTON,] June 21, 1949.

We may be presented in the near future with several questions bear-

ing on the Chinese Communists' position with respect to the UN. These questions may arise in one or more of the following ways :

- (1) A Chinese Communist delegation may seek to obtain visas in order to proceed to the UN.
- (2) The Chinese Communists may send credentials to the Secretary General for a permanent representative to the UN.
- (3) The USSR may challenge the right of the National Government representative to a place on the Security Council or other UN organ.
- (4) A Chinese Communist may claim China's seat on the Security Council or other UN organ.

There are attached a copy of a memorandum of June 9 prepared by USUN, Mr. Power, on "Credentials for a Chinese Communist Delegation";¹ a copy of New York's telegram 697, June 8,² presenting the views of a British member of the Legal Section of the UN Secretariat on this general question; and an article from the *New York Times* of June 9² which discusses possible efforts by the Communists to obtain accreditation to the UN and concludes that "most delegates said they believed that the United States would abstain".

The following suggestions are made :

- (1) We should supply brief background information to our posts in China concerning the possibility that the Chinese Communists may request visas and instruct these posts in such case to report to the Department before taking any action. A draft telegram is attached.²
- (2) We should in so far as possible give guidance to our mission in New York upon the general policy which it should follow under present conditions in case questions concerning efforts of the Chinese Communists to obtain accreditation should arise. This question should be discussed with UNA, and our mission in New York should be advised to keep in close touch with the Department on this question. Our mission should likewise be instructed to make clear to the Secretariat that in our view questions relating to the accreditation of delegates which may involve deciding which of two governments is *the* government of a country are matters of general concern to UN members and should not be decided by the Secretariat without full consultation.

It is suggested that at least for the present our policy with respect to the Chinese delegation in New York should parallel our recognition policy, that is, under present conditions so long as we continue to recognize the National Government we should give support to the right of its delegates to represent China in UN organs.

Additional comment is given in the attached memorandum.

- (3) We should discuss with UNA the attitude to be adopted in case at a later time it is argued in the Security Council that acceptance

¹ Not printed; the essential points of the memorandum are set forth in abbreviated form in the first two paragraphs of Miss Bacon's memorandum of June 21 to Mr. Sprouse, *infra*. Mr. Thomas F. Power, Jr., was Deputy Secretary-General of the United States Mission at the United Nations (USUN).

² Not printed.

of Chinese Communist credentials or other related questions are substantive and not procedural matters.

Normally examination of credentials would be a procedural matter requiring only the affirmative votes of seven members of the Security Council. Examination of credentials in a case involving decision between two governments each of which claims to be *the* government of a country, presents, however, larger issues. In such circumstances a good case could be made for holding that the decision is a substantive one to be decided by seven affirmative votes, including the votes of the Great Powers. The question whether a decision on the credentials of the Chinese Communists carries the veto may become of considerable importance. It may be raised either by the Russians or by the Chinese, depending upon the circumstances of the case.

While it is believed that good arguments can be advanced for holding that the decision is a substantive rather than a procedural one, it is believed that UNA will feel strongly that the question should be treated as procedural. This Government has been using its influence to reduce the use of the veto so far as possible. Unless you feel strongly on this question it is probable that UNA will feel accordingly that the question should be treated as a procedural matter even if the issue is raised by the Chinese Government.

501.AA/6-2149

Memorandum by Miss Ruth Bacon, Special Assistant to the Director of the Office of Far Eastern Affairs (Butterworth), to the Chief of the Division of Chinese Affairs (Sprouse)

CONFIDENTIAL

[WASHINGTON,] June 21, 1949.

I. Requests for Visas by the Chinese Communists.

Under the Headquarters Agreement of June 26, 1947, between the US and the UN¹ we are obligated not to impose any impediments to transit to or from the headquarters district of representatives of members of the UN or their families (Section 11). This obligation exists "irrespective of the relations existing between the Governments of the persons referred to in that section and the Government of the United States" (Section 12). If an application were made by the Chinese Communists for visas for a delegation to the UN in the near future, we might take the position that the delegation was not the delegation of a member of the UN since the Chinese delegation was already in New York. The Communists might then appeal to the Secretary General of the UN and transmit credentials for a permanent representative to the UN.

In the case of credentials of a permanent representative under normal practice the Secretary General would forward to the Department

¹ 61 Stat. 758. For documentation on this negotiation, see *Foreign Relations*, 1947, vol. I, pp. 22 ff.

through our mission in New York the name of the person for whom diplomatic status is sought with a statement that his credentials are satisfactory. Our mission in New York states that in reaching his decision "doubtless he (the Secretary General) will consult with us and other Delegations". There would seem to be some question, however, how far we can rely with certainty upon the Secretary General's consulting with us. It would seem desirable that our mission should do whatever may be appropriate to make clear to the Secretariat that concerned Governments, including ourselves, should be consulted before the Secretary General reaches a determination of this question.

If the Secretary General determines that the credentials presented by the Chinese Communists are not those of a permanent representative of a member of the UN, then we have no problem. If, however, the Secretary General accepts the credentials, we shall then have to decide what action to take. As the particular circumstances of the case may affect the decision, it is believed that no over-all policy should be prescribed at this time.

It is possible of course that the Chinese Communists might choose as permanent representative someone already in the United States. In that case, of course, the visa question would not arise.

II. *Attempts of Chinese Communists to Obtain Seats on UN Councils.*

In the past Chinese delegations have for the most part given full support to US delegates in the UN. Of late there have been indications that this support may falter, and it is entirely possible that the Chinese will seek in future to abstain on questions dividing the US and the USSR. On the other hand, in an effort to obtain our support for their continued presence on UN organs Chinese delegates may receive instructions to give unfaltering support to our policies. In either case we are likely to be better off than with Chinese Communist representatives in UN organs.

If the Chinese Government should become a government in exile or if for all practical purposes the Communists should supplant the present government pressures among many delegations to take account of such circumstances would undoubtedly arise. For the present, however, these pressures have not developed and, in the absence of a Communist national government, are not likely to develop immediately.

If, following the establishment of a Communist national government and its recognition by some powers, the Communists seek to obtain places on UN councils, we shall have to decide how active a part we intend to play. As will be indicated more fully below, if a number of states abstain on certain votes affecting the position of the present Chinese delegates our position might be undermined. Accordingly, if we desire at that time to have the Chinese delegates retain

their seats it would probably be necessary for us to make clear to the UN Secretariat and to other UN members our support for the present Chinese delegates.

If the Chinese Communists should seek to take over China's place on the Security Council, credentials would probably be presented to the Secretary General, who would make a preliminary examination as to whether the credentials were issued by the head of a government or the minister of foreign affairs of a member. If he decides that the credentials are not acceptable, he may let the matter drop or he may make a report to the Security Council. The report would then be voted upon in the Security Council and a question would arise whether acceptance of the report was a procedural or substantive matter. If acceptance is a procedural matter, only seven affirmative votes in the Council are required for approval. If acceptance of the report is a substantive matter then the concurrence of all the permanent members would be required.

The present membership of the Security Council is as follows: the five Great Powers and Argentina, Canada, Ukraine, Cuba, Norway, and Egypt.

If the Secretary General finds that the credentials are not those of a member of the UN it should be possible to find seven votes in support of this position unless several states abstain. The UK and France, for example, might prefer to abstain and their example might be followed by Canada and Norway. The USSR and the Ukraine would vote against such a report. That would leave only five affirmative votes in support of the Secretary General's findings that the Communists' credentials were not in order. If we desire to prevent such a result, we should accordingly make clear our position in support of the National Government's representatives on the Security Council and use our influence with other powers likely to waiver to ensure that they do not abstain.

If the Secretary General's report concludes that the credentials of the Communist representative are in order it would probably be difficult for the USSR to obtain the necessary seven votes. In such case abstentions would be effective in preventing the accumulation of seven votes. On the other hand, abstentions by a number of powers would serve to indicate a lukewarm position on the question and would probably encourage the Communists in further efforts to unseat the National Government's representatives.

A similar situation would arise if the USSR were to challenge the right of the National Government's representative to sit on the Council. The Chinese representative, even if challenged, would continue to hold his seat until seven votes could be obtained for a motion to unseat it.

If the vote should become close the USSR or China, depending on the issue, might assert that the question was not procedural but substantive and accordingly claim a right of veto.

501.AA/6-2149

Memorandum by the Assistant Chief of the Division of Chinese Affairs (Freeman) to the Deputy Director of the Office of Far Eastern Affairs (Allison)

CONFIDENTIAL

[WASHINGTON,] June 29, 1949.

Subject: Problems Which May Arise Concerning Chinese Communists and the United Nations

Reference is made to the memorandum of June 21 from Miss Bacon to Mr. Sprouse on the above subject. We were in agreement with the suggestions for present action as set forth in the memorandum. The very detailed discussion of possibilities in connection with the question of Chinese Communist claims for recognition appears to cover the ground thoroughly as of this date.

We have informed Miss Bacon that we are in accord with the suggested approach to UNA and Miss Bacon will take up the question with the United States Mission in New York at the time of her forthcoming visit there.

There is attached the suggested telegram to the concerned posts in China on the subject of treatment of any Communist applications for travel as delegates to the United Nations.¹

¹ Circular telegram, July 1, 1949, not printed.

501.AA/9-1249

*Memorandum by Miss Ruth Bacon*¹

SECRET

[WASHINGTON,] September 12, 1949.

You may wish to note that our Mission in New York reports (New York's 1088, September 9²) that Feller (American, General Counsel and Director of the Legal Department of the UN Secretariat) has in mind that the General Assembly Credentials Committee may become

¹ Addressed to the Director of the Office of Far Eastern Affairs (Butterworth) and the Deputy Director (Allison). This was addressed also to Livingston T. Merchant, who became Deputy Assistant Secretary of State for Far Eastern Affairs on September 29 (at which time Mr. Butterworth became Assistant Secretary and Mr. Allison assumed charge of Northeast Asian Affairs; Miss Bacon assumed duties on October 3 as United Nations Adviser, Bureau of Far Eastern Affairs).

² Not printed.

strategically important if a Chinese Communist Delegation should appear during this GA. He has said that he would examine with the greatest care the recommendations which his office would make to the GA President concerning the composition of this Committee.

According to normal practice the Secretariat recommends the composition of the Credentials Committee of the GA, the President presents it to the Assembly and the Assembly approves it by acclamation.

FE is also taking up with UNA and Mr. Clark³ the need of paying greater attention than usual to the composition of the Credentials Committee at this Session.

³ Lewis Clark, Counselor of Embassy in China until the evacuation of the Embassy staff from Nanking, at this time designated Far Eastern specialist on the Advisory Staff of the U.S. Delegation to the impending session of the General Assembly of the United Nations.

IO Files : US/A/C.1/1806

*United States Delegation Position Paper*¹

SECRET

[NEW YORK,] November 23, 1949.

SUGGESTED POSITION ON CHINESE COMMUNIST REQUEST TO BE
HEARD IN CHINA CASE

THE PROBLEM

What should be the position of the U.S. Delegation toward a request that Chinese Communist representatives be heard in the GA in connection with the Nationalist charge of Soviet aid to the Communists in the Chinese case?

RECOMMENDATIONS

1. If, as is likely, the request is made for the Communists to be heard in the capacity of representatives of "the Government of China", this would provide adequate grounds for denial, and the US should oppose the request.

2. If the request should be made that the Communists be heard in some other capacity, the U.S. position would have to be determined, in consultation with the Department, particularly in the light of the following factors:

(a) Whether there are questions of fact before the Committee, determination of which is essential to enable it to act on pending pro-

¹ This paper was prepared by the Advisory Staff of the U.S. Delegation to the fourth regular session of the General Assembly of the United Nations. The General Assembly met in New York from September 20 to December 10, 1949. For documentation regarding the composition and organization of the U.S. Delegation and its Advisory Staff, see pp. 12 ff.

posals and regarding which the Communists could lay claim to special knowledge,

(b) Whether appreciable sentiment exists among the other delegations in favor of granting a hearing.

3. In any event, if it should develop that Communist representatives are to be heard, every effort should be made to restrict their appearance to a Subcommittee or, failing that, to the Committee, to make a statement regarding facts peculiarly within their knowledge; to hold themselves available for questioning; but to take no part in the debate.

DISCUSSION

1. Two opposing sets of considerations have a bearing upon the U.S. position regarding any request that the Communists be heard. In the first place, the U.S. has in general upheld the principle that as "a forum in which the international public interest can be fully expressed", the UN should follow a liberal policy in granting hearings to groups exercising *de facto* authority over a territory and having vital interest in the subject and, concomitantly, that the UN is entitled to have before it all relevant information from the most direct sources on which to base its decisions in a given case. Although these principles have not always prevailed in practice, they have consistently been professed and the occasions for their contravention are generally explainable on special grounds.

On the other hand, in the present circumstances there is doubt as to whether constructive purpose would be served by hearing the Chinese Communists; their presence might prove embarrassing to the U.S. and to other countries and they would probably seek to use the GA as a sounding board to enhance their international standing, further to weaken the Nationalist position and to attack the U.S. and other western powers.

2. It seems probable that a request in the present case would be to grant a hearing to the Chinese Communists as representatives of "the Government of China". It is unlikely that the Soviet Union which has recognized the Communist regime² would in presenting or supporting the request permit it to be made on any other basis. Thus the request would be tantamount to a Chinese Communist claim to replace the Nationalists as China's representatives to the UN, and should be opposed on the ground that China is already represented by a duly accredited delegation. So long as the UK and other countries adhere to their present intention not to grant recognition to the Communist

² On September 21, 1949, the Chinese People's Consultative Conference met at Peiping and proclaimed the (Communist) People's Republic of China. On October 1, the (Communist) Central People's Government of China was formally inaugurated at Peiping. General Chou En-lai was named Premier and Foreign Minister.

regime during the GA, there would undoubtedly be little support for granting a request to be heard on this basis. Denial of the request would be in accordance with the position taken in denying representatives of the Markos "government" the right to be heard in the Greek case.

3. In the less likely event that the Communists should request to be heard in some other capacity to present information on pertinent issues peculiarly within their knowledge, grounds for denial of the request are more difficult and the possibility of some support from other delegations is increased. Furthermore, certain precedents in the Indonesian, Czechoslovak and Palestine cases might be adduced in support of a hearing. If the request should be put on such a basis, the exact position of the U.S. will necessarily depend upon a number of circumstances, some of which are referred to in the second recommendation. The question on which the Communists would be most likely to claim special knowledge is their receipt of Soviet aid. If at the time the request is made the proposed U.S. resolution has been presented and no Chinese resolution has been presented to the Committee, opposition to hearing them might be placed on the ground that proof of the charge of Soviet aid is not essential to the proposed action and that the Committee has adequate information on which to base its resolution.

If appreciable sentiment should be manifest by other delegations in favor of granting a hearing, continued U.S. opposition might on the other hand appear unwise but it might be possible nevertheless to suggest as an alternative that the Communists be permitted to submit written statements and evidence rather than oral testimony.

4. If nevertheless the General Assembly should decide to hear Communist representatives, the U.S. should make every effort to establish the limitations upon their hearing set forth in recommendation 3. These are fully in accord with the established practice of the General Assembly in limiting the participation of outside groups and individuals.

IO Files : US/A/M(Chr)/128

Minutes of the Thirty-fourth Meeting of the United States Delegation to the General Assembly, New York, November 25, 1949, 9 a. m.

SECRET

[Here follow list of names of persons (43) present and discussion of the situation regarding the proposed Chinese resolution condemning Soviet violations of the Sino-Soviet treaty of August 14, 1945; see pages 144 ff.]

The Delegation then turned to the question of a possible hearing of the Chinese Communists. Mr. Allen stated that it was quite probable that the Committee would be confronted by the question whether any representatives of the Chinese Communists should be heard in connection with its consideration of the Chinese case. The Soviet Delegation had already denounced the present Chinese Delegation. If the question arose as an effort on behalf of the Communists to claim the seat of the present Chinese Delegation, the question would be handled by the Credentials Committee. We had been advised that if this particular question were raised in the First Committee, the chairman would rule that the matter would have to be referred to the Credentials Committee for consideration and report to the plenary. The problem might also arise in another form by a request that the representatives of the Chinese Communist regime be heard by the Committee as parties in interest.

The recommended position in this case was set forth in the position paper before the Delegation (US/A/C.1/1806). Mr. Allen summarized the recommendations in the paper. The request for a hearing should be denied and opposed if it was based on the argument that the Chinese Communists would represent "the Government of China." In this case, the basis would be that China was already represented by a duly accredited delegation. If the Chinese Communists should request a hearing to present information particularly within their knowledge, the situation would be somewhat more difficult. The United States position in this case should depend upon the nature of the evidence which they claimed to be able to give and upon the sentiment of other Delegations for or against such a hearing. It might also be possible to deny a hearing to the Communists on the ground that the evidence which they sought to offer was not pertinent to the type of resolution which the Assembly was considering. This might be the case, for example, as regards alleged Soviet aid to the communists. If the General Assembly should decide to hear the Chinese Communists, certain conditions should be set up. They should in particular be limited to statements regarding facts within their knowledge; they should be available for questions, but should not be permitted to take a part in the debate; and if possible, their hearing should be by a subcommittee.

Ambassador Austin asked under what Article of the Charter could it be proposed that people having special knowledge of the facts of the case should be called in. Mr. Popper indicated that the Charter was silent on this point, but noted that the Assembly had called in such individuals in past cases, such as Palestine and the Italian Col-

onies. Ambassador Austin considered that Article 35 of the Charter touched upon such hearings. He thought another problem which would have to be faced would be a claim by the Chinese Communists that they represented a state. Mr. Hickerson thought it would be difficult to establish that case since it could clearly now be said that the Communists were simply a rival faction claiming to be the Government.

The Delegation approved the recommendations in the position paper without further discussion.¹

[Here follows discussion of another subject.]

¹ Further developments in the Chinese representation question are described in vol. ix, pp. 256-257 and 258-260.

III. UNITED STATES POLICY REGARDING THE QUESTION OF ADMITTANCE OF NEW MEMBERS INTO THE UNITED NATIONS¹

Editorial Note

On March 4, 1949 the Security Council, acting on a resolution offered by the United States Representative at the United Nations (Austin) recommended to the General Assembly that Israel be admitted to membership in the United Nations (United Nations, *Official Records of the Security Council, Fourth Year, No. 17*, pages 8 and 9; hereafter cited as SC, *4th yr., No. 17* [or other appropriate number]). The General Assembly, on May 11, 1949, adopted a resolution providing for the admittance of Israel to the United Nations, drafted in its *Ad Hoc* Political Committee and cosponsored by Australia, Canada, Guatemala, Haiti, Panama, the United States, and Uruguay (United Nations, *Official Records of the General Assembly, Third Session, Part II, Plenary Meetings*, pages 306 ff.). Documentation on these matters as they relate to United States policy is found in the files of the Department of State, 501.AA.

On April 8, 1949, the Security Council failed to act favorably on a report from its Committee on the Admission of New Members recommending approval of the application for membership submitted by the Republic of Korea, due to the negative vote of a permanent member, the Soviet Union (9-2) (SC, *4th yr., No. 26*, page 15). At the same meeting an application for membership submitted by Nepal was referred by the Security Council to its Admissions Committee for consideration, as a matter of normal procedure (*ibid.*, page 16).

¹ Continued from *Foreign Relations*, 1948, vol. i, pp. 173-204.

501.BC/6-1449 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

[WASHINGTON,] June 15, 1949—8 p. m.

317. 1. Dept sees no objection Sunde's ¹ proposed line in SC meeting on membership question June 16 (urtel 725 ²) and agrees his proposed statement ³ makes response our part desirable. Believe our response shd be brief and general, in order not lead lengthy restatement old issues, detailed discussion individual applicants, or arguments on universality principle and on meaning ICJ membership opinion.⁴ Favor statement following lines:

We continue maintain position both on individual applications and on use of veto, which we have set forth fully in Council and elsewhere on various occasions. Our privileged vote has not in any instance excluded any applicant from UN membership; we have worked constantly toward agreement to eliminate veto altogether from voting on membership applications and we seek such agreement now; and we have no intention in the future of permitting our vote to prevent the admission to membership of any applicant receiving seven affirmative votes in SC.⁵ We agree that, if positions of SC members toward applicants or toward veto right have not changed in such way as to make possible different results from those reached in previous SC votes, no purpose served by formal vote on applications at this time.

2. However, shd debate extend to merits of different applicants, you shd in your discretion restate briefly our views on individual

¹ Ambassador Arne Sunde, Permanent Representative of Norway at the United Nations.

² Not printed.

³ The Norwegian Representative held the presidency of the Security Council during June 1949 and had proposed for the Council's agenda for June 16 Security Council consideration of applications for membership in the United Nations, in pursuance of a General Assembly resolution of December 8, 1948, recommending such consideration. Reference should be made to Ambassador Sunde's informative opening statement to the Council on June 16, in which he recapitulated Security Council consideration of the three new membership applications made earlier in 1949 and described the status of older applications still pending; see SC, 4th yr., No. 17, pp. 2-6.

⁴ On May 28, 1948, the International Court of Justice had rendered an advisory opinion in the negative to two questions put to it by the General Assembly: whether any conditions for membership could be set other than those provided for in Article 4, paragraph 1 of the United Nations Charter and whether the admittance of other states at the same time could be imposed as a condition for the admission of a given applicant.

⁵ Applicant-states which had received seven or more affirmative votes in the Security Council at sometime in 1946-1948 but against which a permanent member, the Soviet Union, had cast a negative vote, thus constituting a "veto", included Austria, Ceylon, Finland, Ireland, Italy, Portugal, and Transjordan. In a new development at the June 16 meeting the Argentine Representative (Arce), in a lengthy speech, submitted seven resolutions providing for Security Council approval of the applications of each of these seven states in the order named; see SC, 4th yr., No. 17, p. 14.

applicants, stressing continued violations human rights provisions of peace treaties by Hungary, Rumania, and Bulgaria, and referring to treaty procedures initiated by US and other parties on subject.⁶ You might stress especially mention Italy and Ceylon, noting re former that even USSR admitted Italy's qualifications and re latter that Sov attitude toward admission Ceylon seems inconsistent with its professed desire help former colonial territories achieve independence and full status in int'l community.

3. If matter arises in any way, you might make clear that we are willing that SC reconsider these applications again later on, preferably shortly before GA.

4. Above may be brought attention SC Pres and, in your discretion, other reps. Dept concerned, of course, to hold line against applicants we oppose.⁷

WEBB

⁶ Documentation regarding U.S. protests at treaty violations by these three states is scheduled for publication in volume v.

The United States also opposed the admission to the United Nations of Albania and the Mongolian Peoples Republic.

⁷ The U.S. statement was made by Ambassador Austin to the Security Council on June 21; see SC, *4th yr., No. 31*, pp. 5 ff.

501.AA/6-2249 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, June 22, 1949—7 p. m.

330. Dept has considered Sov membership proposal and believes it definitely propaganda move.¹ Dept's position unchanged since cannot

¹ At the June 21 meeting of the Security Council the Soviet Representative (Tsarapkin) had submitted a resolution providing for favorable action on the following applicants and in the order named: Albania, the Mongolian Peoples Republic, Bulgaria, Rumania, Hungary, Finland, Italy, Portugal, Ireland, Jordan [Trans-Jordan], Austria, and Ceylon (SC, *4th yr., No. 31*, p. 12). This included all pending applicants except the Republic of Korea and Nepal. At the same meeting the United States Representative (Austin) moved, as a procedural matter, "that the action of the Security Council on this [Soviet] draft resolution, S/1340, be taken up by separate consideration and a separate vote taken on the different applications made by the countries named in the draft resolution, so that each member of the Security Council may reflect the attitude of his country on each applicant" (*ibid.*, p. 20).

In this particular case Departmental consideration meant the formulation of a position by the "Membership Team" (Minutes of the Membership Team, June 22, 1949, 501.AA/6-2749). This group consisted of about eight persons, representative of the Office of United Nations Affairs and the several geographic offices. Highest-level approval was made by Dean Rusk, at this time Deputy Under-Secretary of State (for political affairs). The specific memorandum recommending the despatch of this telegram to New York was sent by Sandifer to Rusk on June 22 (IO/UNP Files, Lot 59D237, Box 7210, Folder "Membership").

favor applications of Alb and Bul as long as these states render assistance to guerrillas in Greece; since cannot favor application of Rum, Hung, and Bul in view of treaty human rights violations and our action initiated with respect thereto; and since we are not in possession of any convincing evidence that Outer Mongolia is in any sense an independent state. Therefore, if necessary to vote on over-all Soviet res, you shd vote against above applicants unless such vote would constitute a veto, in which case you shd abstain.

Dept believes Sov propaganda move can be effectively countered SC by statement along following lines:

(1) Stress our advocacy of striving toward objective of universality of membership, meaning by this universality of qualified states.

(2) U.S. would be very pleased vote for admission of applicants it now opposes if these states give evidence of being qualified.

(3) Addressing ourselves to Sov Rep, state that we are glad to see USSR has apparently withdrawn its objections to the admission of several states which the GA and majority in this Council have long deemed qualified for membership. We shd like to believe this signifies that USSR is now prepared to settle memb question on basis of Charter. But we cannot overlook fact that Sov res calls for admission of five applicants which GA and maj in this Council have consistently found to be not qualified for membership. The Sov Union, if it wishes to settle memb problem on basis of Charter, is in position to encourage some applicants to take steps to qualify themselves. USSR not without influence in gov'ts of Albania, Bulgaria, Rum, and Hung. Sov Union cd use its influence to end that Alb and Bul cease rendering assistance to guerrillas in Greece. It cd also use its influence to end that Rum, Hung, and Bul take steps to comply with treaty provisions on human rights. In this connection, you cd add Sov Union itself in peculiar position to contribute solution this question as present stage treaty implementation is stage in which heads of Sov Union, UK and US missions in these countries shd consider the dispute and Sov Gov't has declined to permit its chiefs-of-mission to participate this conciliation machinery.

(4) Suggest you again include reference to Korea in your statement.

(5) US has open mind, but needs to be satisfied these states are qualified. We, accordingly, suggest deferring action on all pending resolutions until just before Sept GA so that account may be taken of any developments in the intervening period which would throw further light on the qualification for membership, under Article 4, of Alb, Bulg, MPR, Hung and Rum.

Pls discuss above in your discretion with UK, Fr and other SC Reps.

ACHESON

IO Files : US/S/885

Memorandum of Telephone Conversation Between Mr. Charles P. Noyes of the United States Mission at the United Nations and the Acting Director of the Office of United Nations Affairs (Sandifer)

CONFIDENTIAL

[NEW YORK,] June 23, 1949.

Mr. Sandifer stated, after consultation within the Department, that they were willing to modify paragraph 5 of their instructions so that we need not suggest that the Security Council defer action on pending resolutions until before the September Assembly. He agreed to the suggestion which I had made that instead of this we should urge strongly that the Council should accept the President's recommendation that no vote be taken in view of the fact that it is clear that there would be no results. We should end up our statement with a sentence along the following lines:

"My Government, and I assume the Security Council also, would be prepared to reconsider this question at any time if it should appear that further developments cast new light on the qualifications for membership, under Article 4, of Albania, Bulgaria, Mongolian Peoples' Republic, Hungary and Rumania, or if as a result of changes in the positions of any members of the Security Council there appears any likelihood of the Council taking affirmative action on any of these applications."

Sandifer thought we should express to our friends the thought that it is important to meet the propaganda aspects of the Russian proposal and that our statement is intended to have that effect. We should also urge that there is greater reason now than ever to avoid a series of votes and vetoes since the Russians would now be in a position to make good propaganda as a result of having made an offer to accept all applicants.¹

I expressed some skepticism as to our ability to prevent a vote but agreed to try.

¹ For Ambassador Austin's statement to the Security Council on June 24, see SC, 4th yr., No. 32, pp. 16 ff.

501.BC/7-649 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET PRIORITY

NEW YORK, July 6, 1949—6:29 p. m.

805. In the light of the present situation in the SC, we suggest reconsideration of our instructions in urtel 330, June 22, with respect to casting a negative vote on applications of Satellites, if it turns out a vote is necessary.

The UK would reluctantly join US in voting negatively on these 5 states; China has told us it will vote negatively on Mongolia; otherwise SC members will register abstentions.

The USSR compromise proposal has probably improved her tactical position. She will undoubtedly pose as willing to cooperate on reasonable terms and will probably attack US for allegedly obstructing a solution we originally proposed in 1946. We can make a good reply to such an attack on the basis of Herschel Johnson's statements at the SC's 55th meeting, August 28, 1946.¹

The USSR may also be behind the recent suggestion of Argentina to trade Italy for Mongolia and it may be possible that there will be further developments along this line.

It would seem advantageous from our point of view to retain as much freedom of action as possible so as to be better able to take advantage of any new developments later on. We therefore feel it might be wiser for us to abstain on the Russian Satellites. This will have the additional advantage of leaving US less exposed to the above-mentioned charge that it is the US who is primarily responsible for preventing the admission of the 12 states.

AUSTIN

¹ Ambassador Johnson was Deputy U.S. Representative on the Security Council in August 1946.

501.BC/7-649 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET

WASHINGTON, July 8, 1949—8 p. m.

354. Instructions contained in Deptel 330 June 22 modified as requested urtel 805 July 6. You are consequently authorized to abstain rather than vote against applications of five satellite states if a vote is necessary. This authorization granted on basis your prognostication re vote on matter in SC as set forth second para urtel 805.

As stated in Deptel 330, Dept would prefer to defer action on all pending membership resolutions until just before Sept GA.¹

ACHESON

¹ On July 11 the Security Council resumed its discussion of the membership question, and at that time lengthy statements were made by the Representative of the Soviet Union (Tsarapkin) and Ambassador Austin, in that order, regarding the position taken by the United States with respect to the qualifications of Albania, Bulgaria, Hungary, and Rumania for membership (SC, 4th yr., No. 33, pp. 2 ff.). The discussion concluded on July 20, with a ruling on the part of the President of the Security Council (Manuilsky) that "the question of the admission of twelve States to membership in the United Nations" would not be voted upon "as no agreement has been reached on the question. . . ." (*ibid.*, No. 34, p. 12). This deferred temporarily any Security Council vote on all membership resolutions of which the Council was then seized, including the seven Argentine resolutions.

IO Files : US/S/921

*Memorandum by Mr. Edward L. Freers of the United States Mission
at the United Nations to the United States Representative at the
United Nations (Austin)*

RESTRICTED

[NEW YORK,] August 24, 1949

Subject: Soviet Version of our Attitude on Admission of New
Members

You may be interested in how our attitude on new members is being presented exclusively, except for the Voice of America, to the people inhabiting about one-fifth of the world's area. This version also enjoys dissemination by Tass in all parts of the world.

The following is a summary of an 850 word item which appeared in *Pravda* for July 5, 1949, under the headline "Anglo-American Bloc Opposes Admission of New Members to U. N.":

"The question of admitting new members to the U.N. has been on the Security Council's agenda for more than three years, but has, to date, remained deadlocked. The cause for this lies in Anglo-American policy which aims at utilizing the U.N. for its own purposes, purposes that are at odds with those of the U.N.

The Anglo-American bloc has violated Article 4 of the U.N. Charter in particular, discriminating against such peace-loving countries as Albania, the Mongolian People's Republic, and later against Bulgaria, Rumania, Hungary, because the existing political systems in these countries do not please the reactionary circles of the U.S.A. and England. At the same time the Anglo-American bloc insistently strove for admission of countries that have certainly not lived up to the provisions of Article 4 of the Charter, with the aim of filling the U.N. with governments obedient to the bloc and thereby converting it into an instrument of the Anglo-American bloc.

Every time the Anglo-American bloc raised the question of voting for admission of such states as Trans-Jordan, Portugal and Ireland, the U.S.S.R. felt obliged to object, and the Anglo-Americans claimed abuse of the veto power. As a matter of fact, the veto power is used by the Anglo-American bloc itself in carrying out a policy of discrimination against truly democratic countries. The American delegate, Austin, declared June 21, 1949, that the U.S. would not vote in the Security Council for admission of any of the above-mentioned countries. It must be remembered that the U.S.A. is a permanent member of this council and, consequently, a refusal to vote for these countries means blocking the very possibility of their admission.

As is known, the Soviet delegation has advanced a new proposal providing for the admission of all 12 governments which have applied for membership. The candidacy of each of these applicants has been considered in the Security Council, and each member of the Council has had the opportunity to state his position. However, the representatives of the Anglo-American bloc are not in the least interested in strengthening the authority of the Security Council by saving it from its present deadlock; they have even shown that they are indifferent

to whether such governments as Italy and Finland are admitted. This position openly reflects the attempts by the Anglo-American bloc to adapt the U.N. to its own interests."

IO/UNP Files : Lot 59D237, Box 7210, "Membership"

Memorandum by the Chief of the Division of United Nations Political Affairs (Bancroft) to the Assistant Secretary of State for United Nations Affairs (Hickerson)

CONFIDENTIAL

[WASHINGTON,] August 26, 1949.

Subject: Membership Problem

This division has given careful consideration to the membership problem which will face us this year. As you know, it is especially complex because of the new Soviet policy of favoring the admission of twelve or thirteen applicants. This policy will tend to place the USSR in a favorable—and us in an unfavorable—position in the GA; moreover, the withdrawal of Soviet opposition to Italy and other qualified states makes their admission for the first time a practical possibility.

The problem is set forth in some detail in the attached memorandum. A number of possible courses are outlined on pages 5–9. We have not been able to reach conclusions as to the precise course which, in our opinion, ought to be followed. We have, however, reached certain general conclusions.¹

We favor a return to our 1946 policy of seeking agreement in order to achieve as close an approximation to universality as possible. We suggest, accordingly, that great power conversations in the very near future should include the membership question. In such talks, we should state in concrete terms the minimum conditions which the Soviet satellite states would, in our view, need to meet in order to

¹ The 9-page memorandum referred to here (Bancroft to Hickerson, August 19) is not printed. It consisted of 3 main parts: (A) "Background of Question", (B) "General Considerations", and (C) "Tactical Problem in the Assembly". Pages 5–9 were in (C) in a section discussing possible courses of action. The concluding section was headed "Suggested Course", the main points of which were incorporated into the instant memorandum.

"The drastic Soviet shift of policy on the membership question" had generated intense debate in the Department of State, in the course of which the Bureau of European Affairs gradually assumed a position which dissented from the general tenor of the recommendations set forth in the August 19 paper of UNP (and here) and on certain specific points of the August 19 paper. The essential point of difference between UNP and EUR seemed to be that of whether the concept of universality of UN membership were relevant or needful in the context of the current situation posed by the Soviet proposals. The EUR position clearly seemed to be that, as before, the U.S. position should be to examine each application on its merits; and that this position should not be set aside for any drive toward universality. (These views were set forth by G. Hayden Raynor, United Nations Adviser, Bureau of European Affairs, in two memorandums dated August 9 and September 12, respectively, not printed.)

Documentation described in this footnote is in Lot 59D237, Box 7210, Folder "Membership".

qualify for admission to UN membership. We should endeavor to state these standards in as flexible a form as possible. If it should prove impossible, through agreement, for the Soviet satellites to qualify this year and thus to make possible the admission of some 12 or 13 states in all, we should aim toward this as a definite goal by 1950 at the latest.

Pending agreement which will make such action possible, we see little merit in various suggested maneuvers whereby the SC—or one of its members—would abdicate its function of making independent appraisals of the individual applicant states and thus leave the entire decision in the GA. We believe that none of these devices would be understood by the public or result in any substantial advantage in any respect. Obviously a definite move in the direction of universality would have to be carefully prepared in a number of respects, and we believe that this should be done at once.

501.BC/9-649 : Telegram

*The Secretary of State to the United States Representative at the
United Nations (Austin)*

SECRET

NEW YORK, September 6, 1949—7 p. m.

456. Following are Depts views on membership questions which may arise in SC meeting Sept 7.

1. Since Nepal is coming up for first time, formal vote probably necessary and US shld vote favorably, probably making brief statement. Under Rule 60, SC obviously free to take up application even though normal 25 day time limit has expired.

2. As to 12 reconsidered applicants listed in Sov resolution, our position remains as stated Deptel 354 July 8, i.e., that we prefer avoid formal votes but wld not oppose such vote if general sentiment favors; and that if votes are necessary we abstain on five Sov candidates.

3. If draft report to GA on membership is placed before Council, setting forth divergent views on questions (see S/PV 431¹) we wld on balance prefer that so far as the 12 reconsidered applicants are concerned, SC merely approve such report.

4. If vote is taken, and otherwise in your discretion, we shld repeat statement of June 21 to effect "we have no intention in the future of permitting our vote to prevent the admission to membership of any applicant receiving 7 affirmative votes in SC" as well as statement of June 24 that US "wld be prepared to reconsider this question at any time if it shld appear that further developments cast new light on the qualifications for membership under Art 4, of Bulg, Alb, Rum, Hung, and the Mongolian People's Republic or if, as a result of changes in

¹ The reference is to Security Council documentation.

the positions of any members of the Security Council, there appears any likelihood of the Council taking affirmative action on any of these applications".²

ACHESON

² On September 7 the Security Council received and considered the report of its Committee on the Admission of New Members concerning Nepal's application, that committee certifying in its report that Nepal fulfilled the requirements for United Nations membership; but the Council failed to take affirmative action due to the negative vote of a permanent member (the Soviet Union) (SC, *4th yr.*, No. 39, p. 16). For Ambassador Austin's statement to the Security Council in support of the application of Nepal, see *ibid.*, pp. 12 ff.

Editorial Note

At two meetings on September 9 the Security Council addressed itself again to the question of the 12 applicants for admission to the United Nations (the seven Argentine resolutions and the Soviet resolution), with these new developments. The Soviet Union submitted a revision of its original resolution of June 21, re-ordering the listing of the applicants so as to be on a chronological basis according to date of application (now reading Albania, the Mongolian Peoples' Republic, Jordan (Trans-Jordan), Portugal, Ireland, Hungary, Italy, Austria, Rumania, Bulgaria, Finland, and Ceylon, and adding for the first time Nepal) (for text, see SC, *4th yr.*, No. 40, page 8). Following this, the United States invoked its procedural motion made at the June 21 meeting (see footnote 1, page 293), which provided that a separate vote be taken on each applicant named should the Soviet Union insist on consideration of its draft resolution by a vote (SC, *4th yr.*, No. 40, page 10).

On September 13 the Soviet Representative (Tsarapkin) withdrew his amended resolution of September 9 and resubmitted the original Soviet resolution of June 21, but adding Nepal; the effect of this was to re-list the applicants as Albania, The Mongolian Peoples' Republic, Bulgaria, Rumania, Hungary, Finland, Italy, Portugal, Ireland, Jordan, Austria, Ceylon, and Nepal (*ibid.*, No. 41, page 4). The Security Council then proceeded, amidst complicated parliamentary maneuvering, to consider and finally to vote on the seven Argentine resolutions providing for the admission, on an individual basis, of Portugal, Jordan, Italy, Finland, Ireland, Austria, and Ceylon, in that order. In the voting that ensued all applicants received seven or more affirmative votes, but the Security Council failed to take favorable action because of the negative vote of a permanent member (the Soviet Union) (*ibid.*, pages 28 ff.).

In two meetings on September 15, again in a tangled parliamentary setting, the Security Council rejected proposals for the admission of the 13 applicants named in the Soviet resolution. This was done in the first instance by voting on each individual applicant, on the basis of

the procedural motion made by the United States Representative (see SC, 4th yr., No. 42, pages 3 ff., particularly pages 3, 21, 23, 25, 31, and 40-42); in fact only the first five applicants named—the “satellites”—were voted upon, the others being passed over by means of a parliametary tactic because of their recent rejection (September 13) by the Soviet Union. The Soviet resolution, calling for *en bloc* admission of the 13 states, was then put to a vote and defeated 4-2-4 (one member not voting), the United States being one of those that abstained (*ibid.*, page 45). This ended Security Council consideration of the membership question in 1949.

IO Files: US/A/C.1/1448

United States Delegation Position Paper

SECRET

[NEW YORK,] October 22, 1949.

ADMISSION OF NEW MEMBERS¹

(Item 17 of Provisional Agenda)

THE PROBLEM

The Security Council is expected to report to the General Assembly its inability to make recommendations to admit any applicants to membership. These applicants are Albania, Mongolian Peoples' Republic, Jordan, Ireland, Portugal, Hungary, Italy, Austria, Rumania, Bulgaria, Finland, Ceylon, Korea, and Nepal. The problem is to determine what position the United States should take on this question in the General Assembly.²

¹This caption might have read more exactly: "Admission of New Members: Reports of the Security Council".

²The drafting of this paper was at the center of the intra-Departmental controversy described in footnote 1, p. 298. This debate continued throughout September. A compromise "suggested" by Deputy Under Secretary Rusk about October 3 was never accepted by the Bureau of United Nations Affairs. (Memoranda, Bancroft of UNP to United Nations Advisers of the regional bureaus, October 3; and Bancroft to Sandifer and Hickerson, October 6; both in Lot 59D237, Box 7210, "Membership")

Certain revisions were made subsequently by the Department (Gadel 68, October 21, file no. 501.BB/10-2149, not printed), however, in anticipation of an initial discussion of the question by the United States Delegation to the General Assembly (this occurred on October 26; for minutes of the U.S. Delegation meeting of this date, see IO Files, document US/A/M(Chr)/116; for information regarding the composition and organization of the Delegation, see pp. 12 ff.).

Actually some of the content of this position paper was obsolete by October 22. In pertinent part, the Security Council by this time had made its reports to the General Assembly in respect of the applications of the Republic of Korea (UN Doc. A/968), Nepal (UN Doc. 974) and its reconsideration of the other 13 applications (UN Doc. A/982). (These documents are found in United Nations depository libraries.)

At the plenary meeting on September 22, the General Assembly decided to refer these special reports of the Security Council on membership to its *Ad Hoc* Political Committee for consideration and report.

RECOMMENDATIONS

1. The United States continues its support of the applications of Jordan, Ireland, Portugal, Italy, Austria, Finland, Ceylon, the Republic of Korea, and Nepal. It does not consider that this is the proper year to make an arrangement to admit all of the applicants, including the Soviet candidates. However, the United States should not take any position at the present session which would prejudice possible later arrangements to admit all or most of the applicants.

2. The United States views the United Nations as a universal organization which should ultimately embrace all states of the world, but considers that the broadening of membership should not be attained by disregarding the standards laid down in Article 4.

3. The United States Delegation should be prepared to discuss the membership problem with the Soviet Delegation but should take no initiative in this direction except that a member of the Delegation may be authorized to raise the problem casually in the course of any conversations that may take place on related political problems. In any membership conversations that might arise, either through Soviet initiative or in the course of discussions on related political problems, the United States Delegation should take as its basic position the position stated in Recommendations 1 and 2. It should indicate a willingness to re-examine its position on individual cases upon the basis of any reasonable evidence of compliance with Article 4.

4. The United States should not stimulate discussion, or exert pressure, for action or for a strong expression of views by the General Assembly on the membership problem. It should participate in the debate and in conversations with other Delegations so as to secure, if possible, Assembly action along the lines of those recommendations.

5. The United States is opposed to a resolution similar to that introduced by the Soviet Union in the Security Council, calling for the admission of 12 or 13 applicants. Discretion is left to the Delegation, subject to the climate in the Assembly, whether to oppose such a resolution flatly, in which event there are advantages in breaking down the resolution and voting on the several applicants separately, or whether to amend it in terms acceptable to our position. If the Delegation decides to break down the Soviet resolution and vote on each applicant separately it should be borne in mind that the Republic of Korea is not listed therein and thus the procedure envisaged in recommendation 6 below should be followed to ensure the Assembly's affirmation of Korea's qualifications.

6. The United States should support a simple reaffirmation of the views of the Assembly as set forth in its previous resolutions on this subject, and, along the lines of the Swedish resolution of 8 December

1948 (Res. 197, III, B) request reconsideration of all applications by the Security Council. The Delegation is granted discretion on the Swedish resolution as to amending it to make a more precise distinction between the acceptable and the nonacceptable applicants. The resolution should further affirm the qualifications of Nepal and the Republic of Korea. Should the Delegation ascertain that a substantial majority of other Delegations would oppose such a provision or abstain from the vote thereon, it should consult the Department. The resolution cannot include North Korea.

7. The United States should vote for a resolution, if submitted by another delegation, recommending that all of the permanent members of the Security Council undertake not to exercise the veto right to exclude any applicant from membership.

8. The United States should oppose any proposal embodying or giving application to the Arce view that the General Assembly can admit an applicant which has not received a favorable recommendation from the Security Council.

In case it is proposed to request an advisory opinion from the International Court of Justice on the meaning of the words "upon the recommendation of the Security Council" in Article 4 of the Charter, the Delegation should strongly discourage in its conversations such a request on the ground that the question involves no serious legal difficulties; and should preferably abstain or vote adversely if the matter comes to a vote.

9. The Delegation should consult the Department on any new proposals and on any developments which may substantially affect the membership problem during the course of the session.

BACKGROUND

In 1946 the United States proposed the admission of all then applicants for membership. Soviet refusal to accept this proposal led to a situation, which still exists, in which seven applicants—Jordan, Ireland, Portugal, Italy, Austria, Finland, and Ceylon—have been repeatedly excluded by Soviet vetos while the five Soviet candidates have never secured seven favorable votes in the Security Council. In 1946 and 1948 the General Assembly requested the Security Council to reconsider the pending applications. In 1947 the General Assembly decided "to recommend to the permanent members of the Security Council to consult with a view to reaching agreement on the admission to membership of the applicants which have not been recommended hitherto and to submit their conclusions to the Security Council". None of these applications has yet been approved. The United States and United Kingdom, supported by other Delegations, have taken

the position that Albania and Bulgaria have failed to meet the qualifications in that their continued support of the Greek guerrillas constitutes, as the General Assembly declared in 1948, a threat to peace in the Balkans and is inconsistent with the principles and purposes of the Charter. In addition, the violations of peace treaties by Hungary, Rumania, and Bulgaria, indicate their unwillingness to carry out the obligations of the Charter. The United States and other Western members have considered that the Mongolian Peoples' Republic, which has been recognized by only China, the U.S.S.R. and certain other Soviet entities, has not definitely established its international status.

During consideration of the applications of the ex-enemy states in September 1947, the Soviet Union declared that all five of these states were qualified for admission but that it would vote favorably on the applications of Italy and Finland only if the applications of Hungary, Rumania, and Bulgaria were also approved. As a result, the General Assembly requested an advisory opinion from the International Court of Justice on the question whether a state can, consistently with Article 4 of the Charter, make its favorable vote, in the Security Council or General Assembly, on one membership application dependent upon the approval of other applications. The Court answered this question in the negative; stating, in addition, that each applicant should be considered on its own merits and by a separate vote.

Early in 1949 the Republic of Korea applied for membership. This application was followed shortly thereafter by an application from the Soviet-dominated People's Republic of North Korea. The U.S.S.R. vetoed the first application; the Security Council, however, refused even to refer the application of North Korea to its membership committee for preliminary consideration.

In June 1949 the U.S.S.R. proposed the admission of the 12 applicants whose cases the General Assembly had requested the Security Council to reconsider. The U.S.S.R. argued that the United States and United Kingdom were pursuing an unfair policy of discrimination in supporting one group of applicants while opposing the Soviet candidates. In September, the U.S.S.R. included Nepal—which had applied earlier in the year—in its proposed deal. In a series of meetings ending on September 16, Argentina and the U.S.S.R. insisted that votes be taken and the U.S.S.R. insisted that its resolution be put to a vote as a whole. In these circumstances the United States moved that if votes were taken each applicant be voted upon separately. This procedure was followed by the Council.

1. *Maintenance of Present Policy*

The Soviet proposal may alter somewhat the character of the Assembly membership discussions as they have been carried on in the

past. The recommendations concerning the position of the United States Delegation in the Assembly are discussed below.

The first recommendation provides for the continuance of our present position toward the various applicants but sets up a general principle that any step or position should be avoided which will prejudice later arrangements to admit all or most present applicants.

2. Universality of Membership

It is believed that the full effectiveness of the United Nations depends upon the attainment of a practically universal membership. It should be practicable and easy for United Nations bodies, in the course of their ordinary proceedings, to deal with any international problem involving any state. The weakness of the League of Nations, arising from the non-participation of major countries, should if at all possible be avoided. As war conditions recede and states other than the major Allied powers resume their normal role in international affairs, their continued non-participation becomes increasingly serious for the United Nations. Long delay in admitting them decreases the chance of their ultimate admission. Accordingly, nothing should be done at this session which will prejudice the working out of arrangements, which would permit the admission of all or most of the applicants at a later date (but see last sentence of para 2 of discussions).

3. Question of Advance Membership Discussions

Under Recommendation 1 the Delegation should not initiate conversations with the U.S.S.R. on the membership problem. However, direct conversations with the U.S.S.R. are likely in respect of other political problems which are closely related to important aspects of the membership problem. Moreover, talks on other political problems that in fact involve the membership problem might also take place. It is believed that the casual discussion, in such context, of relevant aspects of the membership problem by the member of the Delegation charged with responsibility for such talks, would not have adverse results.

4. Playing Down Membership Discussions

It is undesirable to stimulate debate and Assembly action to such an extent as to sharpen the existing differences over this problem. However, the United States will, of course, need to present its viewpoint with the vigor necessary to secure action along the lines which it favors and to prevent the adoption of any resolutions which might be critical of its position thus far.

It will be desirable, in the *Ad Hoc* Political Committee, to favor the assignment of a low-priority in the agenda.

5. *Soviet Proposal*

The U.S.S.R. may submit a draft resolution along the lines of its proposal in the Security Council. This resolution will doubtless have some appeal, especially among the smaller countries which support the idea of universality and have a keen sense of frustration over the membership problem. However, opposition to the Soviet candidates over the religious question—particularly among Latin American countries—is likely to outweigh any tendency to support the Soviet proposal. Accordingly, the Soviet proposal seems unlikely to receive wide support at the present time.

Recommendation 3 leaves to the Delegation the decision whether to amend or simply to reject a Soviet omnibus proposal. In case such a proposal is strongly pressed we shall, of course, have to point out the impropriety of pronouncing upon 13 applicants by a single vote and can cite a dictum of the International Court of Justice to that effect. Some propaganda advantage might accrue to the Soviets if we voted against such a resolution as a whole, and if we are faced with this problem it would probably be advantageous to insist on the resolution being broken down and the individual applicants voted on separately as was done in the Security Council.

6. *Reaffirmation of Assembly's Views*

It would be desirable for the Assembly to adopt some simple reaffirmation of its previous resolutions on membership. A Soviet resolution might be amended so as to include: (a) a simple reaffirmation of the Assembly's previous views; (b) a request that the Security Council keep all applications under consideration so that they can be acted upon when they qualify; and (c) the statement that certain named countries in the Assembly's opinion now qualify. This request might be generally in the terms of the Swedish resolution of 1948 with amendments which would make clearer the intent that the Charter requirements not be disregarded, and make more precise the distinction between the acceptable and the nonacceptable applicants.

The resolution should contain a separate endorsement of the qualifications of the new applicants—Nepal and the Republic of Korea—assuming that the vote and the debate on each of these states would reveal impressive support by the Assembly and thus further their candidacies. Should the earlier vote on the problem of independence of Korea or advance soundings by the Delegation indicate that there would be a substantial majority of negative votes or abstentions, it might be against the interests of these countries to press for inclusion of such a provision. Should this situation arise, the Delegation should under Recommendation 9 consult the Department. In any event both of these countries should be included in the request for reconsideration.

In no case should the application of the so-called "People's Republic of Korea" (Soviet-dominated North Korea) be included in the request.

7. *Waiver of Veto Right on Membership Applications*

The United States and United Kingdom stated formally in the Security Council that they had no intention in the future of permitting their votes to prevent the admission to membership of any applicant receiving 7 affirmative votes in the Security Council. China stated its readiness to renounce use of the veto to this extent if all permanent members so agree. The French representative made no such commitment. A General Assembly resolution of April 14, 1949 recommended in effect that the permanent members seek agreement among themselves upon non-exercise of the veto on a number of matters including membership applications. Consultations for this purpose will probably not have been completed when the membership question is considered.

It may, according to circumstances, be advantageous to inspire a provision recommending non-use of the veto right on membership applications. Our decision not to use the veto in such votes presents a most advantageous contrast to the Soviet misuse of the veto. Since, moreover, France and China would not be subject to serious criticism because the U.S.S.R. is the only member which has used the veto on applications thus far, these two members would probably not have serious objection. However, such a provision should be discussed in advance with the French and Chinese Delegations. The United States should vote for any such provision if submitted.

8. *Argentine Proposals*

The United States—and nearly all members of the Assembly—have consistently opposed the Argentine thesis that under the Charter, the Assembly has full and exclusive power over membership applications. A suggestion that the International Court of Justice be requested for an advisory opinion on one aspect of this question—the meaning of the word "recommendation" in Article 4 of the Charter—should be discouraged. Especially in the light of the uniform practice of the Security Council and General Assembly, this question does not involve enough difficulty to justify referral to the Court.

501.BB/10-2949 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

NEW YORK, October 29, 1949—4:12 p. m.

Delga 156. Australian delegation today submitted nine draft resolutions on membership relating to Austria, Ceylon, Finland, Ireland,

Italy, Jordan, Korea, Portugal and Nepal.¹ Texts are identical except that first operative paragraph of resolutions on Korea, Nepal and Austria begins "determines" rather than "re-affirms its determination" as in all other resolutions. Text of resolution re Portugal follows:

"The GA,

"Noting from the special report of the SC on the reconsideration of the application of Portugal for membership in the UN (A/982) that nine members of the SC on 13 September, 1949, supported a draft resolution recommending the admission to the UN of Portugal, but that no recommendation was made to the Assembly because of the opposition of one permanent member;

Deeming it important to the development of the UN that all applicant states which possess the qualifications for membership set forth in Article 4 of the Charter should be admitted;

Considering that the opposition to the application of Portugal was based on grounds not included in Article 4 of the Charter;

Recalling the recommendation of the GA in resolution 197 (III) A of 8 December 1948 that each member of the SC and of the GA, in exercising its vote on the admission of new members, should act in accordance with the advisory opinion of the ICJ of 28 May 1948, which declared that a state was not juridically entitled to make its consent to the admission dependent on conditions not expressly provided by paragraph 1 of Article 4;

Reaffirms its determination that Portugal is, in its judgement, a peace-loving state within the meaning of Article 4 of the Charter, is able and willing to carry out the obligations of the Charter, and should therefore be admitted to membership in the UN; and

Requests the SC to reconsider the application of Portugal in the light of this determination of the Assembly."

AUSTIN

¹These draft resolutions were submitted to the *Ad Hoc* Political Committee, which began its consideration of the membership question on October 31; see United Nations, *Official Records of the General Assembly, Fourth Session, Ad Hoc Political Committee*, pp. 119 ff. For a U.S. Delegation discussion of the new situation caused by this development, as well as by the submission of a proposal by Argentina that the General Assembly had full authority to admit applicants to membership regardless of whether the recommendations of the Security Council were favorable and requesting an advisory opinion from the International Court of Justice on this point, see IO Files, Minutes of the 25th Meeting of the U.S. Delegation, document US/A/M (Chr)/119, November 1, 1949, not printed. Generally, the Delegation felt that if the Argentine draft resolution were amended appropriately, that the proposal presented an opportunity to take the Argentine proposition, which had been gaining favor over the years, "out of the political forum" and on to a legal basis. It was felt that it should be made clear that the U.S. had not changed its views regarding the competence of the General Assembly on the matter. It was believed that the Court would decide against Argentina, but that nevertheless the United States should not take a position that would not permit the Court to decide the question.

IO Files : US/A/2041

United States Delegation Position Paper

RESTRICTED

[NEW YORK,] November 12, 1949.

ADMISSION OF NEW MEMBERS: REPORT OF THE *Ad Hoc* POLITICAL COMMITTEE (A/1066)¹1. *United States Position*

The United States should support all of the 11 resolutions recommended to the Assembly by the *Ad Hoc* Political Committee.²

It will be desirable for the United States to speak if the Soviet group makes strong attacks on the Committee's resolutions and the United States position.

2. *History in Committee*

The Australian Delegation submitted 9 resolutions requesting, respectively, that the applications of Austria, Ceylon, Finland, Ireland, Italy, Jordan, the Republic of Korea, Portugal and Nepal be reconsidered by the Security Council. All of these resolutions were adopted by votes ranging from 37 to 42 in favor, with 5 and in some cases, 6 votes against.³

The Soviet Delegation submitted a resolution alleging the existence of a "general feeling in favor of the admission" of 13 applicants (all but Korea) to membership and requesting the Security Council to reconsider the applications of all these states.⁴ A large number of delegations declared their opposition to this resolution on the ground that it involved a process of bargaining over membership applications, since five of the thirteen applicants mentioned in the resolution were on their individual merits unacceptable to most delegations. The Soviet resolution was rejected by 30 votes to 9 (Soviet group, Sweden, Yugoslavia, Iraq and Mexico), with 16 abstentions (mainly Near Eastern and Latin American States).

An Argentine resolution proposed in substance that an advisory opinion be requested from the International Court of Justice on the question whether in the absence of a favorable recommendation from the Security Council, the General Assembly can admit an applicant to membership. Since objections were raised to the form and scope of

¹ For the report of the *Ad Hoc* Political Committee to the General Assembly, see United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings, Annex*, pp. 30-34 (hereafter cited as GA (IV), *Plenary, Annex*).

² The voting took place on November 4.

³ For texts, see GA (IV), *Plenary, Annex*, pp. 31-34 (sections A through I).

⁴ For text (UN Doc. A/1079, November 12), see *ibid.*, p. 34.

the proposal, the *Ad Hoc* Committee requested the Belgian-Argentine delegations to draw up a suitable revision. The Argentine and Belgian delegations submitted their joint draft resolution to the Committee and accepted an amendment, suggested by the Netherlands Delegation, which in our view greatly improved the text. The amended resolution was adopted by 37 votes to 9 (Soviet group, Norway, Sweden, Yugoslavia, Denmark), with 8 abstentions (Australia, Canada, Ethiopia, France, Greece, Ireland, Israel, Liberia). The United States supported this proposal on the ground that, while we are not in accord with the Argentine views to the effect that the Assembly can admit a state to membership in the absence of a favorable recommendation by the Security Council, we would not wish to stand in the way of a referral of this legal question to the International Court of Justice.⁵

A draft resolution submitted by Iraq called upon the permanent members of the Security Council to refrain from the use of the veto in the consideration of membership applications and, further, called upon the members of the Security Council to apply Article 4 of the Charter with "greater flexibility and generosity". An amendment suggested by Saudi Arabia, Iraq and the United States eliminated this language and provided instead for a request to the Security Council "to keep under consideration" all pending applications.⁶

3. *Possible Developments in Plenary*

The Soviet group is likely to renew its attacks upon the alleged "discriminatory policy" of the United States and the United Kingdom in supporting the admission of nine applicants but in refusing their support to Albania, the Mongolian People's Republic, Hungary, Roumania and Bulgaria. The Soviet Union may also resubmit its resolution which requests reconsideration of 13 applications. Extensive participation by other members in the debate is, however, not likely.⁷

⁵ For text of the agreed draft, see GA (IV), *Plenary, Annex*, p. 34 (section J).

⁶ For text, see *ibid.*, p. 34 (section K).

⁷ Plenary discussion by the General Assembly took place in two meetings on November 22; see GA (IV), *Plenary*, pp. 312 ff. The 11 draft resolutions recommended by the *Ad Hoc* Political Committee were adopted (*ibid.*, p. 329). The Soviet Union resubmitted its resolution, and this was rejected (*ibid.*, p. 329). For statement of the U.S. position by Senator Cooper, U.S. representative, see *ibid.*, pp. 327-329.

IV. POLICY OF THE UNITED STATES REGARDING THE PROBLEM OF VOTING PROCEDURES IN THE SECURITY COUNCIL

Editorial Note

On April 14, 1949, at the second part of the third regular session of the General Assembly, the Assembly approved Resolution 267

(III) regarding the problem of voting in the Security Council (for text, see United Nations, *Official Records of the General Assembly, Third Session, Part II, Resolutions*, page 7). The resolution was based on a draft prepared in November 1948 by the General Assembly's *Ad Hoc* Political Committee. For text of this draft, which substantively is the same as that of the resolution as finally adopted, see *Foreign Relations*, 1948, volume I, page 261.

IO Files : US/S/867

Memorandum of Conversation, by Mr. Charles P. Noyes of the United States Mission at the United Nations

CONFIDENTIAL

[New York,] May 23, 1949.

Participants: Mr. J. E. S. Fawcett, United Kingdom Delegation

Mr. James N. Hyde

Mr. Charles P. Noyes

United States Mission

Recommendation I

I asked Mr. Fawcett how he thought we should handle the General Assembly Resolution on the veto and what the position of his Government would be as to following the recommendations contained in it. Mr. Fawcett indicated that as to the first recommendation¹ in the Resolution, he thought his Government was prepared, while acting as the President of the Council, to accept this recommendation and to rule accordingly. He was not so certain that his Government would accept the General Assembly's recommendation on a vote under Rule 30.² He thought at first that it was somewhat more difficult to avoid the charge that Great Britain was violating the Four-Power statement³ where it was a question of how the United Kingdom would vote. As we discussed the question, he seemed to grow less sure that this

¹ The first recommendation read: "1. *Recommends* to the Members of the Security Council that, without prejudice to any other decisions which the Security Council may deem procedural, the decisions set forth in the attached annex be deemed procedural and that the members of the Security Council conduct their business accordingly. . . ." For text of the annex, see *Foreign Relations*, 1948, vol. I, p. 262.

² Under the first recommendation and on the basis of the proposed procedure in the annex, the Security Council might overrule a ruling of the President of the Council on a point of order on what would be deemed a procedural vote, that is with seven affirmative votes, and not requiring the concurring votes of the five permanent members.

³ For text of the Four-Power Statement of June 7, 1945, on voting in the Security Council, see Department of State *Bulletin*, June 10, 1945, p. 1047.

distinction was a valid one. He thought that perhaps it was possible to argue that a vote under Rule 30 was so clearly procedural that it did not fall under the second part of the Four-Power statement.⁴ He agreed that the rationale of the Interim Committee had been that the 34 listed items⁵ were procedural under the Charter and by definition therefore it was improper to apply part two of the Four-Power statement. He seemed to accept this reasoning. We discussed the possibility in a particular case of getting a decision of the International Court as to validity of any particular decision of the Council, including validity of a decision defending the double veto.

I mentioned that as he probably knew, the Department had always taken the position that it reserved its right in a particular case to decide in the light of all the circumstances and with particular reference to political considerations, whether it wished to follow the recommendation of the General Assembly and to use the power to defeat the double veto.⁶ His reply to this was casual and he accepted this point of view but did not seem to place any particular emphasis on this reservation. He gave the impression that his Government would probably adopt the same approach.

⁴ The second part of paragraph two of the Four-Power Statement said: "... it will be unlikely that there will arise in the future any matters of great importance on which a decision will have to be made as to whether a procedural vote would apply. Should, however, such a matter arise, the decision regarding the preliminary question as to whether or not such a matter is procedural must be taken by a vote of seven members of the Security Council, including the concurring votes of the permanent members." By 1948-1949 Soviet use of this privileged vote regarding the preliminary question had aroused widespread disapproval and had come to be labeled a "double veto". This occurred when a negative vote by the Soviet Union on the preliminary question of whether the question at issue were procedural made possible a negative Soviet vote on the question as a matter of substance (all substantive questions automatically requiring the concurring votes of the five permanent members).

⁵ This refers to the items listed in the annex cited above. The Interim Committee of the General Assembly in a lengthy study in January-July 1948 produced the first drafts of the recommendations and annex embodied in the final General Assembly resolution of April 1949. See *Foreign Relations*, 1948, vol. 1, pp. 205 ff.

⁶ An incomplete and inconclusive exchange occurred between the U.S. Mission to the United Nations and the Department of State in March-May 1949, concerning this point. The Mission claimed that such a qualified position was inconsistent with the efforts of the United States at New York to establish procedures for circumventing the double veto. (Letters between Warren R. Austin, U.S. Representative at the United Nations, and Dean Rusk, Assistant Secretary of State, as follows: Austin to Rusk, March 18, 1949, 501.BC/3-1849; Rusk to Austin, April 18, 1949, 501.BC/3-1849; Austin to Rusk, April 26, 1949, 501.BC/4-2549; Rusk to Austin, May 12, 1949, 501.BC/4-2549.)

Recommendation II

With regard to the substance of the second recommendation,⁷ Mr. Fawcett indicated that the British view on reconsideration at this time might be somewhat more liberal than it had been last Fall. He thought it would be worthwhile to review the particular items listed in the Interim Committee Report with a view to seeing whether there was not a larger area of agreement between the British, French, Chinese and the United States Delegations than had been the case then. It was agreed that what we were after was a Five-Power agreement to forbear on particular issues and that if the Russians would not commit themselves, we could make no advance. Fawcett was skeptical that we would reach any result under this recommendation but agreed that it was essential that the Five Powers consult and that they should report their consultations to the Security Council publicly. This would permit a section on this subject in the Security Council's Annual Report. Fawcett felt that before the Five-Power consultations, it would be useful to have preliminary consultations among the Four to see whether they could present a fairly unified front on these questions.

*Recommendation III*⁸

It was agreed that there was no particular problem about this recommendation. Mr. Fawcett felt that it would be much better not

⁷ The second recommendation read: "2. *Recommends* to the permanent members of the Security Council that they seek agreement among themselves upon what possible decisions by the Security Council they might forbear to exercise their veto, when seven affirmative votes have already been cast in the Council, giving favourable consideration to the list of such decisions contained in conclusion 2 of part IV of the report of the Interim Committee. . . ." For the Report of the Interim Committee to the General Assembly on the problem of voting in the Security Council, submitted to the General Assembly in United Nations document A/578, July 15, 1948, see United Nations, *Official Records of the General Assembly, Third Session, Part I, Supplement No. 10, Reports of the Interim Committee of the General Assembly (5 January to 5 August 1948)*, pp. 1 ff. (hereafter cited as GA(III/1), *Suppl. No. 10*). For Part IV of the Report—"Conclusions"—see *ibid.*, p. 8, or *Foreign Relations*, 1948, vol. I, p. 235. In conclusion 2 appeared 21 items which it was recommended should be adopted by the vote of any seven members, "whether the decisions are considered procedural or non-procedural".

⁸ Recommendation III read: "3. *Recommends* to the permanent members of the Security Council, in order to avoid impairment of the usefulness and prestige of the Council through excessive use of the veto:

(a) To consult together wherever feasible upon important decisions to be taken by the Security Council;

(b) To consult together wherever feasible before a vote is taken if their unanimity is essential to effective action by the Security Council;

(c) If there is not unanimity, to exercise the veto only when they consider the question of vital importance, taking into account the interest of the United Nations as a whole, and to state upon what ground they consider this condition to be present. . . ."

The fourth recommendation in General Assembly Resolution 267 (III) of April 14, 1949, read: "4. *Recommends* to the Members of the United Nations that in agreements conferring functions on the Security Council such conditions of voting within that body be provided as would to the greatest extent feasible exclude the application of the rule of unanimity of the permanent members."

to attempt to formalize any machinery for Five-Power consultation in particular cases, but agreed that a real effort should be made to live up to the General Assembly's recommendation for consultation.

General Procedure

We discussed the question whether there should be a Security Council meeting before the Five-Power consultation. After some discussion, we came around to the view that there was little if any advantage to be gained from such a meeting and it was probably preferable not to do so. If there was any chance of Russia's giving in anywhere along the line, such chance would probably be prejudiced by public debate in the Security Council. Fawcett agreed that in the private meetings it was probably preferable to discuss all three recommendations of the General Assembly even though recommendation number one is not directed to the Five Powers alone. Fawcett also agreed that it was important that results of the private consultations should be reported to the Security Council and opportunity given to the non-permanent members to consider the results of the consultations and to review the General Assembly's Resolution. It was contemplated that in such debates, each of the Members of the Council would indicate their position on the question. Fawcett indicated agreement with the thought that it was not necessary for the Council to consider passing a resolution as a result of such debate.

C. P. NOYES

IO Files : US/S/870

Memorandum of Conversation, by Mr. Charles P. Noyes of the United States Mission at the United Nations

CONFIDENTIAL

[NEW YORK,] June 1, 1949.

Participants: Mr. Pierre Ordonneau, French Delegation
Mr. Charles P. Noyes, United States Mission

I went over our tentative plans for dealing with the General Assembly Resolution on the veto with Mr. Ordonneau. He did not have any instructions but said he would cable for instructions immediately. His personal reactions on the important points are as follows:

First Recommendation:

As far as the first recommendation is concerned, Ordonneau thought the French Government would be prepared to accept this recommendation. His understanding of it is the same as ours. He realizes that a question will arise as to whether a particular case falls within one of the 34 categories. I explained our position that we were prepared to

follow this recommendation subject to the general reservation that if in our opinion serious risks were involved, we might seek instead a political solution of the problem. Ordonneau seemed to think this was a reasonable position. He contemplated specifically that in a case similar to the Czech case, the French representative might be willing to rule the opposite from Parodi's ruling.

Second Recommendation:

As to the second recommendation, Ordonneau felt that the French Government had come to the conclusion that it did not wish to support efforts to promote an agreement among the Five to forbear from using the veto on membership questions and Chapter 6 questions. He indicated that this was not so much because France feared to lose her own veto. He thought it was extremely difficult for any nation under present circumstances to use its veto. He thought the price of so doing was so great that it was doubtful whether the veto had much practical value for his Government. He obviously referred to the Indonesian case. He indicated that what his Government was worried about was placing too strong pressure on the Russians. His Government realized the Russians felt very strongly about this and the French did not wish to do anything which would be so provocative in the Russians eyes as to have serious repercussions. Ordonneau said that it was only because a new formula was found in the Joint Resolution which was much more vague than the Interim Committee formula that his Government had found itself able to join in the Resolution.

I pointed out that it would be somewhat embarrassing if in our private consultations and in a Security Council meeting itself in a discussion of this recommendation the French Government, who had sponsored this Resolution, took exactly the same position as the Soviet Government. I thought the French Government must have had something in mind in sponsoring this part of the Resolution which would permit it to put forward some formula which would move in the direction of liberalizing the veto, and which would not be identical with the absolutely negative position of the Soviet Government. Ordonneau agreed that this was important and promised to think it over.

I also emphasized that it was not contemplated that the Powers would agree not to use the veto in any respect unless all the Five made identical commitments. I thought there was little likelihood of our arriving at any solution on account of the Russian refusal to do so. On the other hand, I thought there were real advantages to be gained by making it perfectly clear to the world that the Russians were isolated on this question and that the other big Powers were prepared to take reasonable steps to liberalize the veto under Chapter 6 and

membership questions. After all, the results of the last two years' campaign on the veto had really been quite substantial and had resulted in the Security Council's being able to come to many decisions as a result of abstentions by permanent members, particularly the Russians. I thought we should keep this pressure on, and while I was in agreement with him that we should not be provocative, I could not see how the taking of a forward-looking liberal position on this point by the French Government could possibly be interpreted by the Russians as being provocative. It was clearly not contemplated that we were going to go ahead and enforce changes in the voting procedures over the Russians' objections.

Third Recommendation:

As to the third recommendation, Ordonneau thought this raised no problems. As to the procedure, Ordonneau agreed that we should have a Five Power meeting first and then a meeting of the Security Council to report the results. He agreed it would probably be desirable to accomplish this during June if possible. He thought that with Parodi in the Foreign Office, it was likely that the French position would be more liberal than it had been in the past since Parodi understood the problem very well. Ordonneau would let me know as soon as he received an answer from Paris.

IO Files : US/S/SS3

*Memorandum of Conversation, by Mr. Charles P. Noyes of the
United States Mission at the United Nations*

CONFIDENTIAL

[NEW YORK,] June 22, 1949.

Participants: Dr. Rodolfo Munoz, Argentinean Delegation
Mr. C. P. Noyes, United States Mission

I told Munoz I understood they were interested in having a meeting of the Council on the Veto. I told him that we were planning to have a meeting of the Permanent Members of the Council soon and that we had thought it would be preferable to have such a meeting before any meeting of the Security Council on the subject. It was our plan to arrange a meeting of the Security Council as soon as the meeting or meetings of the Permanent Members were concluded. We thought it would be preferable not to have a public discussion in the Council until after such meetings. Mr. Munoz said immediately that he was quite certain Dr. Arce would not press for the Council meeting until after the Permanent Members had met. They were simply interested in seeing to it that some action was taken in regard to the General

Assembly's recommendations. He later told me, after checking with Arce, that Arce agreed. I passed this on to Seyersted (Norway).¹

¹ Finn Seyersted of the Norwegian Delegation. Norway held the presidency of the Security Council during June.

IO Files: US/A/1572, US/S/905

*Memorandum of Conversation, by Mr. Charles P. Noyes of the
United States Mission at the United Nations*

CONFIDENTIAL

[NEW YORK,] July 18, 1949.

Participants: Mr. Pierre Ordonneau, French Delegation
Mr. J. E. S. Fawcett, United Kingdom Delegation
Mr. C. P. Noyes, United States Mission

Mr. Ordonneau has received his instructions. They were to avoid, if humanly possible, any commitment of any kind on the question of the veto. His first suggestion was that we ask the Russians to a meeting. He expressed the view that they would not come to a meeting and that that would be the end of the matter. Both Fawcett and I said this was highly unlikely. We thought they would certainly come to a meeting of the Big Five.

Ordonneau then indicated that if they came to a meeting he was certain they would simply repeat their previous statements. The French Delegation would thereupon state that there was no possibility of an agreement along the lines of the General Assembly recommendation and they would suggest that they simply report this fact to the Security Council. He said they were instructed to say nothing about the French position. Both Fawcett and I indicated serious doubts about such a course of action. We explained to him our thought that each Delegation would be called upon to state its own position. Even if it is by good luck possible to avoid this meeting of the Five, it seems unlikely that it would be possible in the Security Council. We pressed Ordonneau for further details of his position in case he was forced to say something.

As to paragraph 1 of the resolution, Ordonneau said they could agree that the thirty-five items were procedural. Ordonneau had not asked the Foreign Office about the Double Veto aspect of the question. He thought that would be a matter of some difficulty for them. As to the second recommendation, he indicated that they could not agree to give up their veto on items 2, 43, 44, 49 and 50 of the Interim Committee Report. The French could accept both recommendations 3 and 4.

Ordonneau said that his position was somewhat difficult. At Paris, no Foreign Office decision had ever been made to sponsoring the veto

resolution. There had been a misunderstanding between him and representatives of the other three delegations. When the resolution was put out, he found that the French name was on it. Under the circumstances the French decided that they would not make any trouble about it. He was, however, a little embarrassed not to have this matter of sponsorship put up to him as indicating a moral commitment of the French Government.

501.BC/7-2149 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

CONFIDENTIAL

NEW YORK, July 21, 1949—5:51 p. m.

849. The French position with regard to the veto, particularly with respect to recommendation 2 of the GA's resolution requires reconsideration of our plans for the meeting of the five permanent members of the SC. The French are under instruction that they may not agree to give up their veto on items 2, 43, 44, 49, and 50 of the IC report. British will agree to give up veto on all items except 49 and 50. Chinese position same as ours.

The main purpose of the four powers in presenting this recommendation to the Assembly and holding the proposed five-power discussions is to isolate the Russian position and thereby put increased pressure on them to make concessions. If the result of the proposed five-power discussions is to disclose that the Russians are not alone but are supported by the French on a number of important items and by the British on two, we would lose most if not all of the advantages we hope to gain by these discussions.

There are two alternatives possible. The first is to accept the French suggestion that we avoid considering recommendation 2 in detail and rely on the expected Russian statement that they are unwilling to change their position to put the whole burden on them. The second is to insist on a detailed discussion as requested by the GA, and attempt to persuade the French to modify their position on certain of the items. We have in mind in this connection that the French might be persuaded to drop their objections to waiving the veto on items 2, 43 and 44, and that in return the US and China might agree to accept the British position that we would waive our veto on all of the items with the exception of Article 37 of the Charter. We find it difficult to see how the French could feel very strongly about retaining their veto on membership questions. With respect to items 43 and 44, it seems somewhat inconsistent for them to insist on the veto in regard to these two items while agreeing to waive it with respect to items 47 and 48.

It is our view that it would be possible to follow the first alternative course without much likelihood of serious embarrassment. This would involve, however, taking the risk that the Russians might force each of the other four permanent members, either in the five-power discussions or in the SC, to state its detailed position on recommendation 2. Even if we succeeded in avoiding a detailed discussion, this course would involve a failure to carry out fully an Assembly recommendation which had been sponsored by four of the five powers. It would mean sacrificing the advantages of indicating that there was agreement between four permanent members on at least 16 out of 21 items referred to in recommendation 2.

We recommend the second course, even if this means postponing the five-power discussions on this matter until September. We think there is a good chance that the French might modify their position as indicated, particularly if we advised them we felt it was necessary in any case to proceed with an examination of the individual items in recommendation 2 regardless of their position.

Advantages of reaching unanimous four-power agreement along lines indicated seem to us substantial and worth further effort.

In view of French and British hesitation on double veto aspects of recommendation 1 of GA resolution, we feel we should avoid any consideration of that recommendation in five-power meeting.

AUSTIN

501.BC/7-2149 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL

WASHINGTON, July 25, 1949—7 p. m.

389. Dept agrees with your second suggestion (reurtel 849 July 21) that efforts be made prior to Five Power consultations to persuade the French to modify their position on certain items of GA recommendation concerning veto. French reservations in effect nullify entire second GA recommendation. In return for French acceptance of British position that Permanent Members waive veto on all Chapter 6 items except Article 37, US could take same position with understanding however that if waiver of veto on Article 37 raised in SC or GA, US wld state continued willingness to waive veto Article 37.

In event failure French to agree, it may be advisable to avoid detailed consideration of recommendation 2 in consultations and SC.

Dept wld prefer Five Power consultations before Sept since essential that consultations and SC meeting shld take place prior to convening of GA.

ACHESON

501.BB/S-649 : Airgram

The Secretary of State to the Embassy in France

SECRET

WASHINGTON, August 6, 1949.

A-906. The GA on April 14, 1949 adopted a resolution on the problem of voting in the SC, one of the provisions of which recommended to the permanent members of the SC that they seek agreement among themselves to "forbear to exercise their veto" under certain circumstances. The resolution was sponsored jointly by the UK, France, China and the US before the *Ad Hoc* Political Committee in Paris last fall and adopted by the GA in April 1949.

Prior to engaging in the Big Five consultations called for by the General Assembly resolution, USUN had informal discussions with the representatives in New York of UK and France and were surprised to learn that despite their participation in sponsorship of the resolution, neither the UK nor France were willing in the Five Power discussions to offer to forego their veto in connection with all of the decisions covered by General Assembly recommendation.

The French and British both wish to reserve their right of veto in connection with the SC decisions under Article 37 of Chapter VI of the Charter authorizing the SC under certain circumstances to recommend terms of settlement of a dispute likely to endanger the maintenance of international peace. This reservation is comparatively a minor one and would cause no embarrassment in Five Power consultations.

The French, however, in addition wish to reserve their veto in the following matters covered by the second recommendation of the GA resolution:

1. The SC decision admitting a state to membership.
2. The SC decision pursuant to Article 34 to conduct investigations in connection with the pacific settlement of disputes.
3. The SC decision in connection with the pacific settlement of disputes that the dispute or situation before the Council endangers the maintenance of international peace and security. This latter decision must be made either expressly or by implication in connection with any Security Council action directed towards pacific settlement of a dispute or situation excepting the decision to investigate.

Therefore the effect of the reservations is that the French are unwilling to waive their veto on membership matters or on any decisions in connection with the pacific settlement of disputes. These reservations would in effect completely nullify the second GA recommendation.

The Department and USUN were in agreement that it would be politically undesirable if the Five Power consultations on this subject

and subsequent SC consideration disclosed such a great divergence between the position of France and the positions of the UK, China and US. Therefore Mr. Noyes of the U.S. Delegation suggested to Mr. Ordonneau of the French Delegation that he take the matter up further with his government and if possible secure a modification of his instructions. The most important part of the text of the memorandum of conversation between Mr. Ordonneau and Mr. Noyes is as follows:

"I wondered whether there was any chance that the French could on reconsideration of the matter agree for the sake of unanimity of the Four to give up their objections to New Members, to investigations, and to determinations that a matter was likely to endanger the peace. If they could do so, we would be willing to forget about Article 37. The Four Permanent Members could then present the world with the unanimous position that we would accept waiver of the veto on a reciprocal basis for all the items listed in the General Assembly recommendation with the exception of items 49 and 50 of the Interim Committee Report dealing with Article 37 of the Charter. . . .¹ With regard to New Members, I said that it was hard for me to feel that the French would ever find a case in which they wished to exercise their veto on a New Member. The UK and the US had now indicated that they would never exercise their veto on this subject. The Chinese had announced that they were willing to do so on a reciprocal basis. I wondered how much the French were really giving up if they now announced that they would agree on a reciprocal basis. Ordonneau agreed that the likelihood of the Russians ever agreeing to a commitment of this kind was almost nil and that therefore as a practical matter the French would not be actually giving up anything if they now agreed to our position. . . . Ordonneau indicated that he would be glad to take this matter up again with his Government. He was very dubious that his instructions would be changed; he thought his government had gone the limit already. He said that there was a large number of people in the Foreign Office who could see no value in making concessions publicly when it was quite clear that they could get nothing of value in return since the Russians would never agree."

While the Department considers the problem of veto at this time less important than certain other major international issues, nevertheless the Department for the reasons stated above regards the French position on this matter as unfortunate. It is therefore suggested, that without going into the technical phases of the issue, you might wish to point out to the Foreign Minister: first, that the French Government joined in the original sponsorship of the GA resolution; second, that the consultations of the permanent members and the subsequent SC consideration of this matter are almost certain to disclose the divergencies between the present French position and the position of the

¹ Omissions indicated in the source airgram.

US, UK, and China; third, that such public disclosure would be politically unfortunate; fourth, that in view of the practical certainty that the Soviet Union will decline to waive its veto on any of the matters covered by the GA recommendation and in view of the fact that the GA recommendation does not call on any permanent member to waive its veto unless all permanent members agree on this course of action, insofar as France is concerned there is no likelihood that it would in fact be called upon to waive its veto. You might further indicate that under the circumstances the U.S. feels that there is much to be gained if the French Government would reconsider its position as suggested by Mr. Noyes to Mr. Ordonneau so that the four permanent members could present a unified position in accordance with the GA resolution to the Soviets.²

ACHESON

² Further instructions from Paris in early September left the French position unchanged (memorandum of conversation, Noyes and Ordonneau, New York, September 7, IO Files, Doc. US/S/923).

IO Files : US/S/925

*Memorandum by Mr. Charles P. Noyes of the United States Mission
at the United Nations*

CONFIDENTIAL

[NEW YORK,] September 9, 1949.

After consultation with us, the French and the Chinese, Sir Alexander¹ spoke to Tsarapkin today suggesting that some action was necessary on the General Assembly resolution regarding the veto, asking him whether the Russians would be prepared to join in a conference of the Five Permanent Members some time next week so that consideration of the matter in the Security Council might be had before the General Assembly meets.

Tsarapkin is reported to have said that he would look up the General Assembly resolution and let Sir Alexander know his point of view.

Sir Alexander, as a result of this conversation, holds the view that the Russians will decline to join in such conversations.²

¹ Sir Alexander Cadogan, Permanent British Representative to the United Nations.

² The Soviet Delegate, Tsarapkin, informed the British about September 15 that the Soviets were prepared to consider the veto question at a Big Five meeting "at some convenient time". (Memorandum by C. P. Noyes, September 15, IO Files, Doc. US/S/929, not printed.)

IO Files : US/S/946

Memorandum of Conversation Between the Heads of the Delegations of France, the United Kingdom, and the United States, United States Mission, New York, October 7, 1949

CONFIDENTIAL

Participants: Sir Alexander Cadogan (UKDel)
Ambassador Jean Chauvel (French Delegation)
Ambassador Warren Austin, United States Mission
Mr. Charles P. Noyes, United States Mission

At a meeting this morning in Ambassador Austin's office on [the veto] there was a general discussion of tactics to be followed. The following agreements were reached:

Ambassador Austin will try to arrange a Big Five Meeting in his office next Wednesday afternoon. If other engagements conflict, this can be postponed.

Ambassador Austin will open the meeting with a short statement indicating that paragraph 2 of the General Assembly resolution requires the Permanent Members to reach agreement on certain matters. He will point out that Four of the Permanent Members sponsored and voted for this resolution, whereas the Soviet Union voted against it.

Ambassador Austin will ask the Representative of the Soviet Union whether their attitude on this matter has changed at all and whether their position has changed with respect to waiving the veto on a reciprocal basis in accordance with the recommendation of the General Assembly.

It was agreed that our objective should be to avoid detailed consideration of the items listed under paragraph 2 unless the Representative of the Soviet Union gives some indication that his Government is preparing to give favorable consideration to certain of them. If he indicates this is the case, we should ask him which ones they are prepared to give favorable consideration to and begin our discussion with such items.

If, as expected, the Russians indicate they are not prepared to give favorable consideration to any of the items in paragraph 2, we would then state that under such circumstances there is no point in further discussion of the question.

It was agreed that during the course of the discussion each of the three Representatives would attempt to find an opportunity to state that he is prepared to accept recommendation 3 of the General Assembly resolution and that an attempt would be made to force the Russians to state whether they accept it.

It was agreed that there should be no consideration of recommendation No. 1 or recommendation No. 4.

As to publicity, it was agreed that at the end of the discussion, Ambassador Austin should state that if the others agreed he would, as President of the Security Council, at the beginning of the next meeting inform the Security Council that the meeting had been held; that an effort had been made to find a basis for agreement; and that agreement had not been possible in view of the fact that the USSR had not changed its position on the question; and he would state in addition in regard to the third recommendation of the Assembly that Four out of Five Members had expressed their willingness to abide by this recommendation.

As to the Press, there seemed to be agreement that the Press should be informed that the meeting had taken place and that no agreement had been reached [if that is the case]¹ and that a statement would be made to the Security Council in the near future.

Also present: For the British: Sir Terence Shone, Messrs. Laskey and Fawcett

For the French: Mr. Ordonneau

C. P. NOYES

¹ Brackets in the source text.

IO Files: US/S/954

Minutes of Informal Meeting of the Five Permanent Members of the Security Council, United States Mission, New York, October 17, 1949

SECRET

Participants:	China:	Dr. Tingfu F. Tsiang
	France:	Mr. Jean Chauvel
		Mr. Guy de la Tournelle
	U.S.S.R.:	Mr. Jacob Malik and an adviser
	United Kingdom:	Sir Alexander Cadogan
		Mr. Denis Laskey
		Mr. J. E. S. Fawcett
	United States:	Ambassador Austin
		Mr. J. N. Hyde

Ambassador Austin opened the meeting by stating that this was an informal meeting which was rendered necessary by paragraphs 2 and 3 of the resolution of the General Assembly, dated 14 April 1949. He recalled that four of the permanent members had sponsored and voted for paragraph 2 of the resolution. He then read the paragraph and read the paragraph of the Report of the Interim Committee which it incorporated by reference. He then stated his understanding

that those members who had voted for the resolution still supported it. He stated his recollection that the Soviet Union had either voted against it or abstained. Malik stated that the Soviet Union had voted against it and, in answer to a question by Ambassador Austin, added that there was no change in his Government's position. Malik expressed some difficulty in stating the basis for this position because of the absence of an interpreter and attempted to translate from a document that he had in Russian. He did say that the point of view of his Government is based on the consideration that many of those decisions are controlled by Article 27 of the Charter.

Ambassador Austin then went on to paragraph 3 of the resolution, which he read, and stated that so far as his Government is concerned it would be willing to assent to it.

In language that was rather difficult to understand, Malik said that he agreed with sub-paragraphs (*a*) and (*b*) of paragraph 3 and that he did not think sub-paragraph (*c*) was necessary so far as his Government was concerned because it always acted in accordance with sub-paragraph (*c*). Chauvel observed that the interpretation of paragraph 3 was in that case always rather subjective.

Malik then went on to repeat what he had said before, that he hoped this was regarded as a preliminary and not a final consultation. Ambassador Austin stated that it might be appropriate for him to report to the Security Council tomorrow very briefly that the five had met and that there was no agreement on paragraph 2, because four of the permanent members took one position which the Soviet Union opposed. Ambassador Austin then suggested a brief report simply saying that there had been a meeting of the permanent members. If the Soviet Representative thought that further consultation might lead to a further area of agreement, the announcement would be kept very brief. Malik replied that while he did not insist, he would prefer another meeting before an announcement in the Council, partly because of his language difficulty. He stated that with or without an interpreter he would not agree to paragraph 2 but that he would like to discuss paragraph 3(*c*) further and would prefer, if it is not urgent, a meeting perhaps tomorrow before the Security Council. He added that he had no objections to a report along the lines suggested by Ambassador Austin.

It was then agreed that there would be another meeting of the five at 2:30 p. m. on October 18 in a small conference room just beside the delegates' entrance. No announcement will be made to the press before that meeting but the understanding was that some announcement would be made at the end of that meeting and that it might then be appropriate to make the statement, which Ambassador Austin had outlined in the Security Council. Ambassador Austin made it clear

that he was not pressing for an immediate announcement to the Council but that he regarded a full consultation as more important. Malik indicated in response to comments by Cadogan that he was in no way attempting to stall and that he understood that this should be announced in the Council during the course of Ambassador Austin's presidency.

J. N. HYDE

IO Files: US/S/956

Minutes of Informal Meeting of the Five Permanent Members of the Security Council, Lake Success, New York, October 18, 1949

SECRET

Participants:	China:	Dr. Tingfu F. Tsiang
	France:	Mr. Chauvel
	U.S.S.R.:	Mr. Jacob Malik and an interpreter
	United Kingdom:	Sir Alexander Cadogan
		Mr. J. E. S. Fawcett
	United States:	Ambassador Austin
		Mr. J. N. Hyde

As agreed at the October 17 meeting, this meeting was held at Lake Success before the meeting of the Security Council. Since Dr. Tsiang and Chauvel were rather late, Ambassador Austin began the meeting without them.

Ambassador Austin opened the meeting by asking Malik if he would care to state the Soviet view. Through an interpreter, Malik replied that the Soviet position remains the same on paragraph 2 of the resolution. As to the principle of consultation as contained in paragraph 3, he recalled the resolution submitted to the Assembly in Paris and quoted paragraph 3 of that resolution, which reads:

"3. Taking into consideration that the principle of unanimity of the permanent Members of the Security Council in the adoption of decisions by the Council is a most important condition for ensuring effective action by the United Nations in developing co-operation between nations and in maintaining international peace and security, EXPRESSES CONFIDENCE that in the future the Security Council will accordingly take account of the experience of its work in the past, will apply the method of consultation where necessary, and will seek to improve the possibility of adopting concerted decisions."

In the light of this resolution in which the Soviet Union attempted to provide for consultation, it maintains a positive attitude on this question, and this applies to sub-paragraphs (a) and (b) of paragraph 3. Therefore, the Soviet Government is willing to take part in consultations of the sort mentioned in paragraph 3.

Ambassador Austin then asked Malik how he would regulate the holding of these meetings and who would be responsible for calling them. He added that if they are not regulated and no one was responsible for calling the permanent members together, the task does not get attended to.

Malik said that that was a new idea to him which he had not considered and asked what Ambassador Austin had in mind. The latter replied that if this question of calling meetings were left to the President of the Security Council there might be times when the President is not a permanent member and when this would not be a good method. He was simply inquiring what method Malik would be willing to use.

Malik doubted whether it would be advisable to choose a permanent initiator of these meetings but wanted to consider the matter of how such meetings should be called. He thought it would be useful for all five to consider this matter of method. He did not have an off-hand opinion. As a personal suggestion, he threw out the idea that perhaps a permanent member submitting a substantive proposal might be the proper one to call a meeting.

Cadogan pointed out that this would not cover the case where a non-permanent member brought up a proposal and that would have to be worked out.

At this point Tsiang arrived and Ambassador Austin explained the Soviet position that there was no change as to paragraph 2 and that in the light of the discussion of paragraph 3 it seemed desirable to have another meeting. He went on to say that he would announce in the Security Council that afternoon that the permanent members had obeyed the request of the General Assembly, that they stood right where they were as to paragraph 2, the point of view of the Soviet Union means that it cannot be put into effect and, as to paragraph 3, there is agreement in principle on consultation as embodied in sub-paragraphs (a) and (b) but this principle will have to be further considered.

Cadogan went back to the idea of who should initiate consultations and suggested that when a non-permanent member brings up a proposal the last permanent member to be President could be charged with summoning the permanent members.

At this point Chauvel arrived and Ambassador Austin again restated the view of the meeting and that there was no final view on how consultations might be organized. Ambassador Austin again asked Malik for views as to sub-paragraph (c) of paragraph 3. Malik replied that considering the Soviet resolution in Paris as a whole, he thought that there could be agreement on the principle of consultation without attempting to reach a conclusion on (a), (b), and (c). He suggested that there might be no real distinction between sub-

paragraphs (a) and (b), and there was some inconclusive discussion as to the shade of difference between them.

Ambassador Austin concluded by saying that he would conduct these discussions to reach any area of agreement and there would be a further meeting at the convenience of the permanent members. He then reiterated the nature of the statement he would make in the Security Council.

J. N. HYDE

IO Files: US/S/964

Minutes of Informal Meeting of the Five Permanent Members of the Security Council, United States Mission, New York, October 28, 1949

SECRET

Participants:	China:	Dr. Tingfu F. Tsiang
	France:	Mr. Chauvel
	U.S.S.R.	Mr. Jacob Malik
	United Kingdom:	Sir Alexander Cadogan
	United States:	Ambassador Austin
		Mr. J. N. Hyde

(Before the meeting and before Ambassador Austin arrived, I showed Cadogan and Chauvel the formulation we had prepared stating that consultations will in practice occur on the call of any of the permanent members and that no further arrangements are deemed necessary at this time. They agreed that this was entirely satisfactory and when Tsiang arrived Ambassador Austin showed it to him and he so agreed. It was understood that our views might be revised in the light of anything that Malik might suggest, he being the last to arrive.)

Ambassador Austin opened the meeting by recalling that the last discussion had touched upon the organization of consultations which had been agreed upon in principle. The question had arisen as to whether some procedure would be useful that might ensure that consultations in particular places would occur. He inquired whether Malik had any further thoughts. Malik recalled Cadogan's view that the initiative for calling meetings should be in the president of the Council when he is a permanent member and when a non-permanent member is sitting the initiative should remain with the last permanent member to be president. He thought it was useful to discuss this idea further. Cadogan stated that he had not thought too deeply about the idea. Ambassador Austin inquired what would happen under this plan if the permanent member responsible was unwilling to call a meeting to consult. In this case he wondered whether the other permanent

members would have the right on their own motion to do so. Cadogan replied that it would be the duty of the president or the permanent member holding over to call the meeting and therefore he would do so; that this was simply a device to see that the consultations would automatically take place. Ambassador Austin commented that if one of the other permanent members wanted a meeting he could presumably communicate that fact to the president or the member responsible.

Chauvel saw a considerable advantage in any of the permanent members being free to ask for a consultation and this would in a sense be an automatic procedure, but he thought it could be worked out to have the other permanent members channel their request through the permanent member responsible for summoning the meeting.

Malik observed that Cadogan had not excluded the possibility of any permanent member ringing up the representative responsible at that time and asking him to convene a meeting and he thought it was desirable that any procedure should be that flexible. Ambassador Austin felt that such an arrangement would not be too rigid and would be a good one. Tsiang pointed out that under this plan due to the alphabetical order in English of the permanent members there would be a gap of several months when China would have the responsibility, whereas the United Kingdom and the U.S.S.R. would only have it for the month they were president of the Council. Chauvel reiterated his view that it was a desirable and subtle idea that one person be responsible and the others suggest to him a consultation when they wanted it. At that point, Ambassador Austin formulated this plan whereby the permanent member presiding over the Security Council would be responsible for calling a consultation and his responsibility would continue until another permanent member became president of the Council, and such consultations might also be called by any other permanent member.

Malik took up Tsiang's comment on the disparity in the period that some members would be responsible for convoking meetings. He observed that under this arrangement one representative might be the initiator for a long time and others for only a month. Therefore he suggested that it would be useful to have each of the permanent members rotate this responsibility on a monthly basis in alphabetical order, beginning with the United States for November. This would mean that the responsibility for convoking meetings would not be related directly to the presidency of the Council. This rotation would not over burden some members as initiators of proposals. Ambassador Austin, after ascertaining that this idea was agreeable to all the other permanent members, formulated it and added his own suggestion that

it be specifically stated that meetings may be held at the request of any permanent member. Chauvel suggested that language be added that the request be made through the permanent member primarily responsible that month but he did not press the thought and it casually disappeared in the drafting. A formulation was then typed and circulated. It was agreed to and is attached hereto as Annex A.

During the drafting stage, Malik suggested that the reference in this statement be made not just simply to paragraph 3 of the General Assembly resolution but to sub-paragraphs (a) and (b) which are the only ones relating to consultation and Ambassador Austin agreed to this. Malik then stated that his comment was not to exclude anything but simply to clarify what the formulation covered. He requested that this document not be released until he could see it in Russian and expressed his willingness to give his clearance by telephone to Ambassador Austin the next day. In the light of this fact, Sir Alexander asked if he might reserve the right to comment further. He stated that unless he communicated with Ambassador Austin it could be assumed that the draft is satisfactory to him.

In conclusion Ambassador Austin stated the understanding that this formulation would not be released or the meeting mentioned until Monday when he proposed to release this statement to the press. Malik wondered whether it would be more appropriate to release it to other Council members, but Ambassador Austin stated that the Council had not objected to the previous statement indicating that this consultation would take place, that there would be no immediate meeting of the Security Council and that since this concerns permanent members it is appropriate to announce it directly to the press.

J. N. HYDE

Annex "A"

Consultations of the five permanent members on the recommendation contained in paragraph 3 (a) and (b) of the resolution of the General Assembly dated April 14, 1949, have shown an agreement on the principle and practice of consultation before important decisions of the Security Council are to be made.

As a consequence of this agreement in principle it has been agreed that such consultations will in practice occur upon the call of the permanent members in alphabetical order, beginning with the United States of America in November, and rotating on a monthly basis, and they may also be held on the request of any permanent member.

V. POLICY OF THE UNITED STATES REGARDING THE APPORTIONMENT OF EXPENSES OF THE REGULAR (ADMINISTRATIVE) BUDGET OF THE UNITED NATIONS AMONG MEMBERS OF THE ORGANIZATION ¹

IO Files : US/A/C.5/122

Position Paper Prepared for the United States Delegation to the Fourth Regular Session of the General Assembly ²

CONFIDENTIAL

[WASHINGTON,] September 20, 1949.

REPORT OF THE COMMITTEE ON CONTRIBUTIONS

THE PROBLEM

What position should the United States Delegation take as to the Report of the Committee on Contributions? (A/954, August 23, 1949) ³

RECOMMENDATION

1. The Delegation should, after the usual complimentary reference to the work of the Committee on Contributions, note that the report of the Committee recommends a reduction in the contribution from the United States of America of 1/10 of 1% representing "a first step in implementing the decision of the General Assembly of 1948 and the instructions given by the Assembly to the Committee on Contributions". (238 (III), B, November 18, 1948) The Delegation should note with favor that there has been a first step but should strongly state its view that the Committee on Contributions has not adequately taken into consideration in its deliberations the general economic improvement which has occurred in the world and which has been reflected in the press and other publications. The Delegation should recognize the difficulties undoubtedly encountered by the Committee in obtaining adequate information from certain countries about economic conditions and should urge that members increase their cooperation with the Committee in providing information and access to public documents.

2. The Delegation should reserve its position on the report of the Committee on Contributions (if possible making a statement such as the one above as part of the opening statement of the U.S. Representative on Committee 5) and should actively explore with all Dele-

¹ Continued from *Foreign Relations*, 1948, vol. 1, pp. 266-274.

² Drafted in the Office of United Nations Affairs. For documentation regarding the composition and organization of the United States Delegation to this session of the General Assembly, see pp. 12 ff. The General Assembly convened at Flushing Meadow, New York, on September 20.

³ United Nations documents are to be found in depository libraries of the United Nations.

gations the possibility of revising in the General Assembly the scale of contributions proposed by the Contributions Committee for 1950 in order to take into account in greater degree the ultimate ceiling of 33 $\frac{1}{3}$ % and to adjust upward contributions of member states which are at present underassessed. If it seems unlikely that such a provision will obtain majority support, the U.S. Delegation should attempt to obtain the adoption of a resolution giving clear instructions to the Contributions Committee that it is (a) to prepare a comprehensive revision of the contributions scale next year; (b) to give special consideration to the economic situation of those countries in which considerable improvements have occurred since the war; and (c) to take into full account previous instructions received from the General Assembly.

3. The United States should be fully aware of the problem faced by states with a high per capita assessment, and in private conversations should point out to these states that they have a common interest with the United States in urging substantial adjustments in the allocations scale. If, however, these states should attempt to argue that they alone are entitled to reductions until such time as their per capita assessments are brought into line, the United States Delegation should take the position that the 1948 Assembly resolution intended that adjustments arising from per capita considerations should occur concurrently with significant adjustments made in recognition of the ceiling principle.

4. If the Israeli Delegation should seek a reduction in the assessment of twelve one-hundredths of one per cent (.12%) recommended for Israel by the Contributions Committee, the United States Delegation should vote against such reduction but should not itself engage in the debate.

BACKGROUND

Since 1946, the United States has sought recognition in the United Nations for the principle that, in normal times, no one Member state should pay a preponderant share of the costs of the organization. The United States has made plain its conviction that its initial assessment of 39.89% could be justified only by the extraordinary circumstances of the immediate post-war economic situation.

At the time of the Preparatory Commission,⁴ the United States supported the concept of relative capacity to pay as a basic criterion for assessing Member quotas. Neither the United States nor other Members anticipated that this criterion might result in a maximum assessment of more than perhaps 30%. However, the Committee on Contributions, operating under instructions to recommend apportion-

⁴For documentation regarding the work of the UN Preparatory Commission, August-December 1945, see *Foreign Relations*, 1945, vol. I, pp. 1433 ff.

ments "broadly according to capacity to pay", reported to the Second Part of the First Assembly a relative capacity for the United States of 49.89%. Through negotiation in Committee 5, this figure was reduced to 39.89% when the 1946 scale was agreed upon.

The initial instructions of the Contributions Committee in 1946 did not direct the Committee to impose a ceiling for the largest contributor, but did state that "if a ceiling is imposed on contributions, the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay. The Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its recommendations."

Since 1946, the United States has contended that the most important "other pertinent factor" is the concept of the sovereign equality of Members. The United States has argued that the largest contribution should be limited to a percentage of the total that will not be so large as seriously to jeopardize the equality of obligation and of opportunity which should govern the affairs of the Organization. From the time that the first scale of assessments was established, United States delegations commonly used the figure of 33 $\frac{1}{3}$ % to represent our concept of a practicable maximum figure for normal times.

Once the United States assessment had been set at 39.89% by the General Assembly, the Contributions Committee felt itself without authority to recommend changes in this figure. In its report to the Third Session in 1948, the Committee drew attention again to the uncertainty in which it found itself in this connection. "It is asked," the Committee said, "to review a scale of contributions previously fixed by the Assembly partly on considerations other than capacity to pay but the Committee itself was not clearly authorized to make changes on any criterion other than the capacity to pay."

At the Third Session, the U.S. Delegation formalized, by submitting a definite proposal, its contention which it had already stated in 1946 and again in 1947, that in normal times there should be a ceiling of 33 $\frac{1}{3}$ % on the largest contribution. The resolution, as ultimately approved by the Third Assembly, fell short of the full U.S. position, but it was an accomplishment of a sort since in its preamble it recognized the principle of a 33 $\frac{1}{3}$ % ceiling for normal times.

The 1948 resolution also recognized in its preamble that "in normal times the per capita contribution of any Member should not exceed the per capita contribution of the Member which bears the highest assessment". This was a concession to those few states of relatively high living standards who pay a higher per capita contribution than the United States under the present allocation scale (Iceland, Sweden and New Zealand), and those additional states which would find them-

selves in this position in case the United States' quota should be reduced to 331½% (Australia, Canada and United Kingdom).

The instructions under which the Contributions Committee was to operate in formulating the present report are contained in this same resolution of 1948. The Assembly instructed the Committee, "to recommend how additional contributions from (a) admission of new Members, and (b) increases in relative capacity of Members to pay, can be used to remove existing maladjustments in the present scale or otherwise used to reduce the rates of contributions of present Members".

In its report to the present Session of the Assembly, the Committee states that although there has been an improvement in some branches of economic activity, certain factors make it difficult for the Committee to suggest an appreciable change in the present scale. These factors include (a) the continued need in some states to devote a large share of their resources to the repair of war damage; (b) increased difficulty of some states to secure foreign exchange; (c) the inconclusiveness of the available statistics as to the extent of real improvement for some states; and (d) the uncertainty in the external trade and balance of payments position of some states.

The Committee recommends that Israel should be assessed twelve one-hundredths of one per cent (0.12%), and that two states, Sweden and the United States, should be granted reductions totalling to this same amount, Sweden's reduction being two one-hundredths of one per cent (0.02%) and the reduction for the United States being one-tenth of one per cent (0.10%). The decision to allow further relief to Sweden was made, the Committee states, in the light of information presented as to Sweden's situation and the discussions in the Working Group of Committee Five, which considered Sweden's application for reduction in the First Part of the Third Assembly. The proposed reduction for the United States, in the words of the Committee's report, "represents a first step in implementing the decision of the General Assembly last year and the instructions given by the Assembly".

The Committee makes certain additional recommendations, as to Israel's assessment for 1949 and as to Swiss contributions to the International Court of Justice, which raised no important issues.

DISCUSSION

Evidence is accumulating that a number of Member states have reached a stage of economic recovery that renders out of date the United Nations contribution scale developed immediately after the War. It seems fairly obvious that certain states are now under-assessed on a basis of comparative national income. The most important case is that of Soviet Russia, but there are other cases as well. If the quotas of these states were raised, it would be possible to make at least a sub-

stantial beginning in bringing down the United States quota toward the goal of $33\frac{1}{3}\%$ and to reduce the quotas of those states with per capita contributions above the per capita contributions of the United States.

The only other source of adjustment for the United States is from the adherence of additional members to the United Nations. This year Israel provides the fraction of one per cent which the Contributions Committee proposes for reassignment to Sweden and the United States. However, from this point onwards we cannot expect the admission of a large number of states.

The reduction in the United States assessment proposed by this report is very small when seen in the light of the disparity between the present U.S. rate and the ultimate ceiling figure of $33\frac{1}{3}\%$ per cent. The United States Government has made it clear in the General Assembly that it does not expect radical or immediate achievement of the $33\frac{1}{3}\%$ ceiling, but it can hardly be expected to be satisfied with a rate of reduction which would require approximately sixty-five years to reach the agreed goal.

It is evident that the Contributions Committee will act only when heavy pressure is exerted upon it from Committee 5. It is evident as well that the United States must assert strong leadership in Committee 5 if such pressure is to be brought.

The concern of this government to achieve a substantial reduction in its UN assessment without delay arises not only from our policy toward the UN itself but from our concern to stabilize at reasonable levels our rates of contribution to the Specialized Agencies. Assessments in UNESCO were originally based on the UN scale, and because UNESCO had a smaller membership the United States paid 44.03% in 1947, and 41.88% in 1948. As a result of special efforts on the part of the United States in 1948, the General Conference of UNESCO adopted a resolution accepting $33\frac{1}{3}\%$ as the ceiling for normal times, and the United States contribution for 1949 was reduced approximately a third of the distance to that goal, being set at 38.47% for 1949. This action was taken just after the UN had accepted the principle of a ceiling. At the UNESCO General Conference this fall, the United States Delegation will seek to achieve a second installment of the reduction of the United States quota toward $33\frac{1}{3}\%$. The failure of the UN to grant the United States more than a token reduction will directly affect our chances of accomplishing a further reduction in UNESCO.

In the case of WHO, the original rate was also based on the UN scale with the United States paying 38.47% in 1948 and 38.36% in 1949. For 1950, the United States has been able to secure a reduction to 36%. It will press for further reductions.

It has been the view of the United States that, in the case of the Specialized Agencies, whose budgets are only a fraction of the size of the UN's budget and where other considerations apply, 33⅓% is too high a ceiling and that a figure of 25% would be more appropriate. Among those major Specialized Agencies in which the United States contribution has been at or below 25% (FAO 25%; ICAO 18.66%; ILO 22%) there is intense pressure on the United States to increase its proportion. We cannot expect to stabilize our rate in these latter organizations in the neighborhood of 25% unless we can demonstrate that our rate is coming down in those Specialized Agencies where it is now substantially above this figure.

If other states conclude that the United States is without hope of achieving an early reduction of its assessment in the UN, they will be more reluctant than ever to agree with the United States view as to the proper level for its assessments in the other agencies. It is essential that the matter be put before the General Assembly in its proper perspective and that the United States Delegation take the lead in urging further study of the degree of economic revival since 1946 in those states whose production and trade were dislocated by the War, so as to determine the extent to which those states are able to assume an increased share of UN costs.

A special problem may be presented by the Member states with high per capita assessments. These states may be critical of the fact that the Contributions Committee in its report singles out Sweden and the United States as the only two states whose assessments warrant reduction. Preferably in private conversations with the delegations of the countries with high per capita assessments, the United States should make it clear that this Government recognizes that a number of states face the problem of overassessment and that the United States favors equitable adjustment in due course for all. It should be pointed out in such conversations, however, that there will be little adjustment for any state if the Assembly fails to approve substantial increases in the assessments of the states now underassessed.

If the Israeli Delegation should press for a reduction of twelve one-hundredths of one percent (.12%) recommended for Israel by the Contributions Committee, the United States Delegation should oppose such a reduction. A quota of .12% is only three times the minimum quota of .04%. If Israel should plead her inability to pay on account of the troubled conditions of the area, it should be pointed out that her neighbors pay the following proportions:

Syria	.12%
Lebanon	.06%
Iraq	.17%
Egypt	.79%

For a country of Israel's population and resources, a quota of only .12% is moderate and should be approved.

IO Files : US/A/1953

United States Delegation Position Paper

[NEW YORK,] October 19, 1949.

SCALE OF ASSESSMENTS : REPORT OF THE COMMITTEE ON CONTRIBUTIONS :
REPORT OF THE FIFTH COMMITTEE (A/1025)

1. *United States Position*

The United States should vote in favor of the draft resolution recommended by the Fifth Committee which would continue the present scale of assessments for the coming year with the exception of the assessment of Sweden, which would be reduced by .02 percent to a figure of 1.98 percent, and the assessment of the United States, which would be reduced by .10 percent, to a figure of 39.79 percent. Israel, a new member, would be assessed .12 percent for 1950 and, for 1949, would be assessed a pro-rated share at this same rate for the seven months of that year during which she was a member. The resolution calls upon the Committee on Contributions to review the scale of assessments in 1950 and report to the next regular session of the General Assembly. The resolution continues for 1950 the existing rate of Switzerland's contribution to the International Court of Justice. It also permits the Secretary General to accept, at his discretion, and after consultation with the Chairman of the Committee on Contributions, a portion of UN contributions in 1950 in currencies other than United States dollars.¹

It will not be necessary for the United States to make a statement on this subject.

2. *History in Committee*

There was general agreement in the Committee that the report of the Committee on Contributions should be accepted. Certain aspects of the report, however, led to special comment. The United States expressed its regret that the Contributions Committee had recommended adjustments only to the extent of the .12 percent assessment of a new member, Israel. The United States noted with favor that the proposed reduction of .10 percent represented a first step in the reduction of the

¹ For the report of the Fifth Committee on the scale of assessments for apportionment of expenses of the United Nations and accompanying resolution recommended for adoption by the General Assembly, see United Nations, *Official Records of the General Assembly, Fourth Session, Fifth Committee*, pp. 163 and 164.

U.S. assessment toward an ultimate figure of 33½ percent, but pointed out that the amount was a small one when seen in relation to the disparity between the present United States assessment of 39.89 percent and the ultimate ceiling of 33½ percent. It was a matter of regret, the United States Representative stated, that the Contributions Committee had found it impossible to effect a general revision of the scale of assessments which would reflect the economic improvements which had been reported in the general debate by the representatives of a number of Member States. The United States urged the Contributions Committee, in 1950, to strive to give full effect to the resolution of the 1948 General Assembly which had stated the principle of a ceiling for the largest contribution and had instructed the Contributions Committee to seek adjustments not only on account of the assessment of new members but because of the relative improvement in the economic conditions of some Members.

Several delegations expressed the opinion that normal times had not yet returned and that therefore the Organization should not be precipitate in giving effect to the ceiling principle. It was further pointed out that as the U.S. assessment was reduced, an increasing number of states with high per capita assessments would have their assessments fixed at the per capita rate for the United States and further adjustments would have to be shouldered by states less able to pay.

The United States, along with a number of other Member Governments, took note of the statement of the Contributions Committee that the provision of statistical information by Member states was still inadequate and appealed to all Member states to correct this lack in the coming year.

Some delegations made note of the fact that the recent currency devaluations in certain Member states would make the dollar contributions of these states more expensive in terms of their domestic currencies. However, the Chairman of the Contributions Committee pointed out that the dollar burden remained unchanged and that the ultimate effect of devaluation might be to improve economic conditions generally and thus facilitate payment by these states.

Israel considered that the Contributions Committee had had inadequate information before it when it established the proposed assessment for that country and expressed its hope that the Committee would make a sympathetic review of its rate of contribution in the coming year.

3. *Possible Developments in Plenary*

It is not likely that this item will lead to debate in the plenary.²

² The resolution was adopted by the General Assembly with no debate and without objection on October 20 (United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, pp. 105 and 106).

THE THIRD REGULAR SESSION OF THE GENERAL ASSEMBLY, SECOND PART, APRIL-MAY 1949

Editorial Note

The meeting of the third regular session of the General Assembly, second part, took place at New York, April 5 to May 18, 1949. This meeting is not treated as such in *Foreign Relations* as the Assembly and its committees continued under the same organization as that established for the Paris meeting of the first part of the third session in 1948. For substantive issues of importance which were taken up at New York, with significant results, see under the appropriate subject in this volume; in *Foreign Relations*, 1948, volume I; or in other volumes of the 1949 series.

MATTERS RELATING TO CHAPTERS XI, XII, AND XIII OF
THE CHARTER OF THE UNITED NATIONS (TRUSTEE-
SHIP AND NON-SELF-GOVERNING TERRITORIES) ¹

501.BE/1-1849 : Telegram

*The Chargé in the United Kingdom (Holmes) to the Secretary of
State*

SECRET

LONDON, January 18, 1949—6 p. m.

220. Re Trusteeship Council session January 24,² at Colonial Office suggestion Embassy officer attended meeting January 17 with Galsworthy³ (head international relations department Colonial Office) and Foreign Office representative to discuss TC agenda informally. Colonial Office anxious maintain both in US and here closest possible contact and understanding with US Government on TC matters. Galsworthy went over provisional agenda point by point from UK standpoint with Embassy representative, but as he stated Sabben-Clare⁴ and Fletcher-Cooke⁵ are fully briefed and are or will be in touch with Department on this, we are not reporting discussion fully.

Galsworthy stressed UK most anxious avoid Russian representation on visiting mission to West Africa. Hopes US willing be represented and said French also prepared support US candidacy. He suggested Belgium, Mexico, and Iraq be others on mission, latter two because going off TC. UK not disposed favor Australia and New Zealand.

Galsworthy suggested periodic meetings here with Embassy representative during TC session to discussion proceedings, Sir Alan Burns,⁶ daily reports, and Creech Jones,⁷ views. Burns joined group later and expressed his approval this plan on eve of departure.

¹ For previous documentation, see *Foreign Relations*, 1948, vol. I, pp. 275 ff.

² The fourth session of the Trusteeship Council met at Lake Success, New York, January 24-March 25, 1949. Briefing books and related documents which were prepared in the Department of State for the U.S. representatives are found in the master files of the Reference and Documents Section of the Bureau of International Organization Affairs (hereafter cited as the IO Files). The U.S. Representative on the Trusteeship Council was Ambassador Francis B. Sayre, and the Deputy Representative was O. Benjamin Gerig.

³ A. N. Galsworthy, Assistant Secretary, British Colonial Office.

⁴ E. E. Saben-Clare, Attaché, British Embassy in Washington.

⁵ J. Fletcher-Cooke, Assistant Secretary, British Colonial Office.

⁶ Sir Alan C. Burns, United Kingdom Representative on the Trusteeship Council.

⁷ Arthur Creech Jones, British Secretary of State for the Colonies.

Galsworthy expressed hope Department may be willing make available its own appraisals and views to Colonial Office through Embassy London from time to time during TC session. He said might be "interesting" compare notes this way. We endorse Colonial Office suggestion if agreeable Department.

HOLMES

501.BE/1-1849

*The British Embassy to the Department of State*¹

SECRET

AIDE-MÉMOIRE

The Russians, having successfully refused to accept under trusteeship any of the territories which they themselves acquired as a result of the war, have not only turned the Trusteeship Council into a forum for a general onslaught on the policies of the Colonial Powers, but have also tried to secure resolutions calculated to cause the maximum difficulty in territories under trusteeship. At best compromises are now reached which are of little practical value to the administrators or to the inhabitants.

2. Unless the Soviet Union's deliberate wrecking tactics can be somehow neutralised, the orderly and progressive political and economic development of large parts of Africa and South East Asia (not to mention the Caribbean and South Pacific areas) may be thwarted and hampered; unless the Russians can be prevented from using the Trusteeship Council as a propaganda sounding board, the subversive doctrines of Communism may make far greater headway in colonial areas than would otherwise be the case.

3. The tactics of the Soviet representative have hitherto been to inject as much propaganda and perverse injunction as possible into the Trusteeship Council's reports, and then at the last moment to vote against a report, or abstain, on the ground that it does not go far enough, and insist on submitting a minority report of his own. In this way he has achieved far more space for Soviet views than is desirable. It would be better in future to isolate the Soviet representative, and to ensure that he has to submit his minority report without first getting his views and formulae recorded at length in the majority report in the hope of reaching a compromise.

4. It is clear that the Soviet representative has in fact rather overplayed his hand with the result that the other non-administering representatives (save Mexico) are, generally speaking, reluctant to

¹ Handed to the Deputy Director of the Office of European Affairs (Thompson) by the Counsellor, British Embassy (Allen), January 18.

associate themselves with the extreme vituperation of the Russians. In these circumstances there seems a good chance of isolating and neutralising the Russians in the Trusteeship Council provided that a close working arrangement can be reached and maintained between the United States and United Kingdom representatives on the paramount importance of achieving this object.

5. The general tactics to be followed to this end might be:

a) To expose the inaccuracies and absurdities of Soviet charges against the administering powers;

b) To show that the Russians proceed from a desire to weaken the administering authorities for the sake of power politics rather than for genuine concern for the welfare of backward peoples—"the tears of the bear are much like those of the crocodile";

c) To expose conditions in the Soviet Union and perhaps satellite countries, and in particular Soviet Russia's own disgraceful colonial practices, for instance in Central Asia. (Article 14 of the Soviet Constitution lays down a degree of centralisation undreamed of in, for instance, British colonies; and there is a good deal of other effective material from Soviet sources which can be quoted in such a manner that, even if the Russians argue that this is outside the competence of the Council, they will not be able to sling their mud with much effect. In this connexion the State Department may wish to refer again to the attached copy of a directive issued by the Foreign Office for propaganda countering Soviet attacks on "Colonialism" and Colonial Administrations, which is already in the possession of the Department.)²

6. The United Kingdom Delegation would be ready to play their full part in carrying out such tactics. But there is no doubt that much that would need saying—in particular under (*c*) above—would come far more effectively from countries less closely associated in the public mind than is the United Kingdom with colonial administration; the leadership of the United States, above all, is likely to prove decisive in rallying opinion, particularly among the non-administering powers.

7. The Foreign Office would accordingly be glad to know whether the State Department would be prepared to furnish the United States Delegates to the Trusteeship Council with all appropriate background material, especially quotable material, on Soviet administration of "colonial" territories, and to instruct them to concert tactics with the United Kingdom Delegates in this matter on the lines suggested above.

8. In making this suggestion the British Government are in no sense unmindful of the valuable cooperation received from the United States Delegation in the past. Nor do they for a moment wish to suggest that the interchange of constructive observations and criticisms in the Council should in any way be abated. The British Government for their part are always glad to receive these, particularly from the

² Not attached.

United States authorities with their considerable experience of administering non-self-governing territories; experience in the Caribbean Commission, for example, has shown how useful such interchange can be. But the British Government are concerned that in pursuing such discussions the Trusteeship Council should not allow its attention to be diverted from Soviet designs.

9. The British Government share with the United States Government a desire to gain the sympathy of emergent peoples. But they do not think that this aim can be achieved by attempts to out-bid the Russians in "liberalism" towards colonial questions. This is to play the Russians' game. Being without responsibility they are in a position to raise the stakes indefinitely, to the point at which the only outcome is to undermine the position and authority of the colonial powers in their own territories. Nor does such competition with the Russians gain the respect of any responsible sections of opinion in the colonial territories themselves. The British authorities are convinced that the only sage and effective way of stealing the Russians' thunder is, as suggested above, to demonstrate consistently to the world the hollowness of the Russians' claims to be the champions of colonial peoples and at the same time to emphasise, wherever possible and appropriate, the achievements of the colonial powers in leading the colonial peoples towards self-government and independence and in progressively developing their territories, as well as the fundamental loyalty of the broad mass of the colonial peoples themselves.

WASHINGTON, 18th January, 1949.

IO/ODA Files : Lot 62D228, Box 231

*Draft Memorandum*¹

[NEW YORK?,] February 14, 1949.

Subject: How the Administering Authorities Might Improve the Work of the Trusteeship Council

1. The functions of the Trusteeship Council rest upon two basic principles: (a) the principle of accountability, and (b) the principle

¹ On February 14 this memorandum (or one presumably closely approximating thereto) was handed by O. Benjamin Gerig, Director of the Office of Dependent Area Affairs, to Sir Alan Burns, British Representative on the United Nations Trusteeship Council (see British Embassy letter, dated April 4, 1949, p. 347). The source text is from the files of the Department of State's Committee on Problems of Dependent Areas (CDA) as Committee Doc. CDA-565, dated June 7, 1949. (CDA was a committee with an existence going back to 1943 but which had not had an active life in the United Nations period (1946 ff.) In the year 1949 it was in one of the "active" periods.)

Internal evidence indicates that this paper was prepared in New York where Gerig was attending the Fourth Session of the Trusteeship Council (January 24-March 25, 1949) as Alternate United States Representative.

of constructive inter-change. The principle of accountability will be emphasized primarily by the non-administering members of the Council. The principle of constructive inter-change of ideas and information will be exercised, primarily by the administering members since experience is a basic factor in this aspect of the Council's work.

2. If either principle is over emphasized or neglected, the work of the Trusteeship Council will be distorted. Until now the principle of accountability has been given major attention and in practice has been exercised by some of the non-administering members in a provocative manner, with the result that the two groups comprising the Council have tended to become somewhat sharply divided.

3. Until now the administering members have not brought out the possibilities inherent in the Council, but have seemed content to play a reluctantly passive role, sometimes slightly haughty, sometimes irritated, hardly ever openly and constructively helpful. This has been the inevitable result of permitting the non-administering members to assume the initiative, which they have done in a frequently discourteous manner, often couching their questions in the form of—"When did you stop beating your wife?"

4. The administering members who have the experience and "the know-how" could change the whole picture, if they took the initiative and placed the emphasis on the work of the Council on the second principle, namely, constructive inter-change of experience and information. That this is so, one need only refer to the history and the experience of the Permanent Mandates Commission² where men like Lord Lugard³ as well as other members with wide colonial administrative experience frequently exercised a constructive as well as critical role in discussing subjects with the special representatives who might frequently be representatives of their own countries.

5. It is here suggested that the Trusteeship Council could be made one of the best functioning organs of the United Nations and be made to contribute in a positive and constructive way to trusteeship and, incidentally, to colonial administration, if the initiative were taken away from the more or less ignorant or vicious critics who are threatening to deadlock the Council and break it into two sharply divided groups.

6. The administering authorities have it in their power to transform the work of the Trusteeship Council by assuming the initiative in the following manner:

(a) Each administering authority in addition to answering supplementary questions, might indicate the four or five main problems

² Of the League of Nations.

³ Lord Lugard was a prominent British colonial administrator of the late nineteenth century in Africa (Uganda).

which the territory continues to present and might invite helpful suggestions from other members of the Council.

(b) Representatives of other administering authorities should be prompt and helpful in offering advice or suggestions based upon experience. In this role, Sir Alan Burns and Gov. Ryckmans⁴ for example, could obviously be supremely helpful.

(c) When the non-administering representatives ask reasonable questions, they should be answered in a generous spirit as has been the case in the last few days by M. Watler of the French Cameroons. When questions and criticisms are unreasonable, it will often be possible to show by comparison that conditions in the territory are not exceptional to the conditions in countries which are independent members of the United Nations.

7. All members of the Council should take every opportunity to read commendations into the record where such are obviously justified.

8. Representatives of the administering authorities on the Council should take the opportunity wherever possible to cultivate members of the non-administering group and try to get them to break away from the bloc voting idea and particularly from giving indiscriminating support to the Soviet member.

9. Representatives of the administering members who by the basic nature of the Charter provisions have certain interests in common, should occasionally discuss these informally outside the Council. Where members of the administering group consider that issues are of vital importance to them, there should, if possible, be prior consultation before final votes are taken. This should not, however, deprive members individually from taking action and voting in accordance with their individual responsibilities.

⁴ Pierre Ryckmans, Belgian Representative on the Trusteeship Council and former Governor General of the Belgian Congo.

501.BE/1-1849

*The Department of State to the British Embassy*¹

SECRET

WASHINGTON, February 17, 1949.

AIDE-MÉMOIRE

The Department of State has considered the *Aide-Mémoire* dated January 18, 1949, which was left with Mr. Llewellyn Thompson, Deputy Director of the Office of European Affairs, by Mr. Denis Allen of the British Embassy.

The Department is sympathetic with the objective, outlined in the *Aide-Mémoire*, of seeking means to combat effectively the forms of

¹ Handed to Mr. Allen by Mr. Thompson, February 17.

propaganda used by the Soviet Union in the Trusteeship Council, and the Department has instructed the United States Representative in the Council, having this end in view, to consult with the Representative of the United Kingdom and with Representatives of other administering and non-administering powers which are likely to share our purposes. The Department is preparing background material of the general nature described in paragraph 7 of the *Aide-Mémoire* for use by the United States Representative in the Trusteeship Council.

As the Department views this problem, it should be a relatively simple task to demonstrate the insincerity of immoderate Soviet proposals, such as were made last Summer in the Third Session of the Council. It is more difficult to deal with proposals which are couched in terms giving them a semblance of reasonableness. Some of these may have the form, and some even the substance, of genuinely progressive proposals in the trusteeship field. In such cases the United States, following its traditionally liberal policy with respect to non-self-governing territories, and considering each proposal on its merits, would not oppose those measures which may be found to be reasonable and progressive.

It is recognized, however, that in view of the motives which are known to underlie Soviet objectives in introducing such proposals, efforts should be made to ensure that the USSR does not thereby obtain credit for appearing as a champion of the welfare of non-self-governing peoples. The best method of achieving that aim on a case basis as such situations arise might well be the subject of consultations between our respective representatives on the Trusteeship Council and with other representatives on the Council, including those of the more reasonably-minded non-administering states. The Department wishes to suggest, however, that over a period of time perhaps the only completely effective method of achieving this end, without attempting merely to outbid the Soviets, is for the administering powers themselves to pursue policies and make sound proposals of this type on their own initiative.²

The Department believes that the objective of effectively countering and neutralizing Soviet propaganda in the Trusteeship Council will also be furthered if the Representatives of the administering states will consider favorably constructive proposals advanced by the other administering and non-administering states with a view to strengthening the trusteeship system and improving conditions in trust territories. The United States Representative in the Trusteeship Council

² In an earlier draft the following sentence appeared, but was struck out: "This is the practice which the United States Government has endeavored to follow and which it hopes the other administering states will follow." (501.BE/1-1849).

is being instructed to assure the Representatives of the other member states that the United States will pursue such a policy.

The Department appreciates that it is not the intention of the British Government to suggest curtailment of constructive observation and criticism in the Trusteeship Council, and the Department reciprocates the sentiments expressed in the *Aide-Mémoire* concerning the value of close cooperation between the Governments of the United Kingdom and the United States in these matters.

501.BE/4-449

*The Counselor of the British Embassy (Allen) to the Deputy Director
of the Office of European Affairs (Thompson)*

SECRET

WASHINGTON, 4 April, 1949.

G.26/12/49

MY DEAR MR. THOMPSON: You will remember the *Aide-Mémoire* on the work of the Trusteeship Council which you handed to me on the 17th February. This was at once sent on to London and to our Delegation in New York.

2. We have now been asked by the Foreign Office to thank you for all the thought you have given to the problems which we raised and for the most helpful comments contained in your *Aide-Mémoire*. It has been studied with much interest by the Foreign Office and the Colonial Office in London. They have also had under very careful consideration the most useful memorandum dated the 14th February¹ which was prepared by Mr. Gerig in New York and given to Sir Alan Burns, and sent some preliminary comments upon it to Sir Alan Burns a week or two ago.

3. We have been asked to assure you that the importance of positive and constructive policies, which the British Government believe that they are in fact pursuing, and of an appropriate presentation of them, is fully realised in London. We are sure that for their part the United States authorities are equally understanding of our difficulties as an administering power, especially in regard to the effect of propaganda debates in the Trusteeship Council on the trust territories themselves.

4. The Foreign Office have also asked us to tell you how much they have appreciated the very helpful cooperation of the United States Delegation during the recent session of the Trusteeship Council. They hope and believe that it will be possible to develop this cooperation in the future and all those concerned on the British side have been in-

¹ See p. 343.

formed that the British Government attach the greatest importance to so doing.

Yours very sincerely,

DENIS ALLEN

501.BE/4-549

Memorandum of Conversation, by the Deputy Director of the Office of European Affairs (Thompson)

SECRET

[WASHINGTON,] April 5, 1949.

Participants: Mr. Denis Allen, Counselor, British Embassy
Mr. Cooke, UKUN Delegation
Llewellyn E. Thompson

Mr. Allen said he had called Mr. Cooke to come in in order that he might repeat to me the description he had given Mr. Allen of the recent meeting of the Trustee-[ship] Council. Mr. Allen referred in this connection to the recent informal exchange of views between the Foreign Office and ourselves on methods of countering Soviet tactics in the Trustee Council.

The gist of Mr. Cooke's report was that the situation was still far from satisfactory. He was exceedingly polite and correct and made numerous expressions of gratitude for the cooperation they had received from Mr. Sayre and Mr. Gerig, but it was clear that the British felt our Delegation was, on occasion, lending itself to the Soviet propaganda game in the Trustee Council. He mentioned that our Delegation had never in these meetings said anything critical of the Russians. He said our Delegation seemed to feel that despite Russian tactics the Trustee Council could be made to work the way it was originally intended. The British did not feel that this was the case.

I took this occasion to re-emphasize the importance we attached to the British coming up with positive and constructive policies as one of the best methods of countering Soviet tactics.

Part of the difficulty, Mr. Cooke indicated, lay in the fact that the new Soviet representative on the Council was an exceedingly able operator. He said the British would be very interested to see whether or not the Soviet Delegation used the same tactics against us as it had against them when the question of the Japanese Islands comes up.

I asked Mr. Cooke to contact Hayden Raynor¹ in New York, since I was not familiar with the specific instances he had cited. I also said that we hoped to assign to our Delegation in New York an officer who was trained in Russian work and that I hoped he would be useful to our Delegation in matters of this kind.

¹ G. Hayden Raynor, Special Assistant to the Director of the Office of European Affairs.

I wish to repeat here that the British were most correct in their approach and put very delicately what I have expressed bluntly in this memorandum.²

LLEWELLYN E. THOMPSON

² In a chit attached to this memorandum, addressed to the Assistant Secretary of State for United Nations Affairs (Rusk) and the Counselor of the Department (Bohlen) on April 8, Mr. Thompson wrote: "I am inclined to believe that the British have a real point here, and believe that we should check closely into this question, since Soviet propaganda can make great use in Africa and other trustee territories of well meaning statements made by our people in the Trustee [*sic*] Council. I will ask Mr. Raynor to follow these meetings and you may wish to say something to Sandifer [Durward V. Sandifer, Acting Director of the Office of United Nations Affairs] about it." In a marginal notation Mr. Bohlen wrote: "I agree CEB".

501.BE/7-2949

*The United States Representative on the Trusteeship Council (Sayre)
to President Truman*

CONFIDENTIAL

[WASHINGTON,] July 29, 1949.

MY DEAR MR. PRESIDENT: I have the honor to report that the Fifth Session of the United Nations Trusteeship Council met at Lake Success from June 15 to July 22, 1949.¹ It was my privilege to participate as United States Representative, as I have at all previous sessions of the Council.

In sharp contrast to the Third and Fourth Sessions, the Fifth Session was marked by a more harmonious spirit. In my letter to you of August 6, 1948,² following the Third Session of the Council, I reported that the participation of the Soviet Union in the Trusteeship Council had profoundly changed the atmosphere and the character of the Council. At the Third Session, the Soviet Representative attempted to impede the work of the Council by creating a cleavage between the six administering authorities and the six non-administering authorities. As a result, there were 10 tie votes in the Council. At the Fourth Session, the record of the voting shows a further measure of success for this Soviet policy. On 14 votes, the Council evenly divided 6-6 or 5-5, so that continued debate and delay was inevitable and progress for the time being made impossible.

During the Fifth Session, although the Soviet Representative continued to attack the administering authorities for propaganda purposes in the same familiar terms, the other non-administering authorities were inclined less and less to follow his leadership. The

¹ For summary record of meetings, see United Nations, *Official Records of the Trusteeship Council, Fifth Session, Plenary Meetings*.

² Not printed.

record of the Fifth Session shows a marked tendency on the part of the majority of the Council members to isolate the Soviet Representative and refuse to associate themselves with his position. In 71 votes taken during the session, there was a majority of seven or more. It is significant that no tie votes on substantive measures took place. As a result, resolutions were adopted marking substantial progress in several important fields.

The Fifth Session was particularly noteworthy in that the Council for the first time examined a Report by the United States on its administration of the Trust Territory of the Pacific Islands.³ This Report was well received by the Council. Although the Council requested the United States to review certain of the administrative measures adopted in the Trust Territory and suggested that certain new measures be considered, the Council commended the United States for the progress that it has made in the political, economic, social, and educational advancement of the inhabitants and for the full nature of the information submitted by the United States. An exception to the favorable tenor of comment by the members of the Council was the consistent adherence by the Soviet Representative to his policy of attack.

May I take this opportunity to say that the representatives of the Department of the Navy in the United States delegation were most cooperative and helpful. In accordance with the Council's procedures, the Deputy High Commissioner of the Trust Territory sat at the Council table to provide supplementary information during the Council's examination of the Report on the Trust Territory.

At the opening of the Fifth Session certain measures on the agenda seemed likely to cause debates in the Council so acrimonious as to risk paralyzing the Council and deadening its influence. The United States delegation therefore assumed an active role in conferring privately with leading delegations, initiating negotiations for solutions of some of the outstanding difficulties, and leading the way in securing the passage of constructive resolutions. As a consequence, the Council adopted without bitter dispute a number of forward-looking resolutions which will help to advance the welfare of indigenous inhabitants of the trust territories and to strengthen the international trusteeship system. Another development apparent during the Fifth Session, which augurs well for the increased effectiveness of the Trusteeship Council, is the use of small committees and technical advisers to work on specific problems and to arrive at generally acceptable recommendations.

³ For documentation regarding the establishment of the Trust Territory of the Pacific Islands, see *Foreign Relations*, 1947, vol. I, pp. 258 ff.

It is my hope that the substantial gains made at the Fifth Session of the Council may be preserved, and that the Council may become an increasingly useful part of the United Nations structure. I believe that its effectiveness can be greatly increased if the administering authorities continue to work in the Council with patience and moderation and if the non-administering authorities continue to cooperate in constructive work to advance the welfare of the inhabitants of the trust territories.

Faithfully yours,

FRANCIS B. SAYRE

501.BE/1-2649

The Secretary of State to the United States Representative at the United Nations (Austin)

No. 264

WASHINGTON, August 15, 1949.

The Secretary of State refers to Despatch No. 92 from the United States representative to the United Nations, dated January 26, 1949, transmitting to the Secretary of State a note from the Secretary General of the United Nations, dated January 21, 1949.¹ The note from the Secretary General called attention *inter alia* to General Assembly Resolution 222 (III), of November 3, 1948, on the Cessation of the Transmission of Information under Article 73(e) of the Charter. This resolution points out that while the responsible governments, in General Assembly Resolution 66 (I) of December 14, 1946, enumerated seventy-four territories as falling within the scope of Article 73(e) of the Charter, information on certain of these territories was not provided in 1947 and 1948. The resolution welcomes any advances toward self-government in such territories but requests the responsible governments concerned to inform the United Nations of the changes in the constitutional position and status of such territories which have led these governments to consider unnecessary the further transmission of information and to furnish the Secretary General of the United Nations with the appropriate documents.

In calling attention to this resolution in his communication of January 21, 1949, the Secretary General listed the Canal Zone as one among twelve territories enumerated as non-self-governing in 1946 on which information was not transmitted in 1947 and 1948, and, while noting that certain reservations were made in conjunction with this 1946 enumeration of territories, suggested that "in relevant cases" the information requested by the General Assembly on the changed constitution and status of such territories be transmitted.

¹ Neither printed.

In reply to the Secretary General's note, the United States Representative to the United Nations is requested to transmit a communication along the following lines:

"Having further considered the text of Resolution 222 (III) in the light of the Secretary General's note of January 21, 1949, the United States believes that the resolution is not applicable of the case of the Canal Zone for the following reasons:

1. "The United States in transmitting information on August 16, 1946 on territories which it administers, including the Canal Zone, made a general reservation that it was doing so 'on the basis of a purely pragmatic approach' to the problem of which territories administered by the United States were non-self-governing within the meaning of Article 73(e) of the Charter. This general reservation has been repeated in subsequent years. Moreover, when the enumeration contained in Resolution 66 (I), to which Resolution 222 (III) refers, was considered by the Fourth Committee of the General Assembly on December 11, 1946, the United States Representative requested that the enumeration by the United States of the Canal Zone be followed by a footnote referring to the statement of the Delegation of Panama in the Fourth Committee on November 14, 1946. The Secretary General will recall that on November 14, 1946, the Delegation of Panama contested the action of the United States in transmitting information on the Canal Zone under Article 73(e) of the Charter on the grounds that the territory could not be considered a non-self-governing territory and that sovereignty over the Canal Zone rested in the Republic of Panama.

2. "In omitting the Canal Zone from the list of territories on which it transmitted information in 1947 and 1948 the United States informed the Secretary General of the reason for this omission. On each occasion, the United States called attention to the statement of November 14, 1946, by the Delegation of Panama in the Fourth Committee, and, while reserving its own position, stated that the matter was subject for consultation between the two governments.

3. "Since the United States has at no time claimed that there has been a 'change in the constitutional position and status' of the Canal Zone subsequent to the transmission by the United States in August, 1946 of information on the Canal Zone or subsequent to the adoption by the General Assembly of Resolution 66 (I), the request to the Member Governments contained in Paragraph 3 of Resolution 222 (III) is not considered by the United States to be applicable in the case of the Canal Zone.

"The United States takes this opportunity, however, to inform the Secretary General that this year, as in 1947 and in 1948, information is transmitted, pursuant to Article 73(e) of the Charter, on Alaska, American Samoa, Hawaii, Guam, Puerto Rico and the Virgin Islands of the United States but not on the Canal Zone. The explanation is the same as in previous years; namely, that the problem of the status of the Canal Zone in relation to Article 73(e) of the Charter is a

subject for further study and consultation on the part of the Government of the United States and of the Republic of Panama.”

501.BE/8-2449 : Telegram

*The Acting United States Representative at the United Nations
(Ross) to the Secretary of State*

CONFIDENTIAL

NEW YORK, August 24, 1949—7:30 p. m.

978. For Hickerson from Gerig. At informal meeting of administering members Special Committee called today by Fletcher-Cooke, UK, and attended by Australian, Belgian, Dutch, French and New Zealand members, main discussion concerned question of continuation Special Committee.¹ While all agreed oppose permanent establishment committee on grounds utility not proved, all others disagreed with idea that three-year further trial period constitutes more practical alternative than one-year extension without prejudice. British, French and Belgian members say their governments are prepared withdraw altogether if committee extended beyond one more year. Believe therefore Department should consider giving USDel discretion not put forward three-year proposal if no other administering member such as New Zealand or Australia will support. As position paper this subject is transmitted for guidance, will act on this assumption unless instructed to contrary and will vote in first instance for one year extension only.

Ross

¹ John D. Hickerson, Assistant Secretary of State for International Organization Affairs, and O. Benjamin Gerig, U.S. Representative on the UN General Assembly's Special Committee on Information, transmitted under Article 73 (e) of the UN Charter. This committee was created by the General Assembly in November 1947 for one year and was to review information on economic, social, and educational conditions in Non-Self-Governing Territories, transmitted under Article 73 (e) and was to report thereon to the General Assembly. The committee was composed of the eight "administering" members (those members the governments of which had entered into trusteeship agreements with the United Nations) and eight "non-administering" members and met for the first time in September 1948 at Geneva. In November 1948 the General Assembly, after considerable discussion in the Fourth Committee and in the Assembly, reconstituted the committee for one more year under slightly modified terms of reference; it was convening at New York for the first time on August 25.

501.BE/8-2449 : Telegram

*The Secretary of State to the United States Representative on the
Special Committee (Gerig)*

CONFIDENTIAL

WASHINGTON, August 25, 1949—5 p. m.

437. 1. Dept still feels (urtel 978, Aug 24) three-year extension Special Committee is reasonable and politically necessary compromise

and one which administering powers should consider favorably in their own interest. Re attitudes expressed by administering members reported urtel, Dept desires information views Den, not present in informal consultation, as well as such further reactions Austral and NZ obtainable in private discussions. Dept would also welcome info obtained informally as to position non-administering members this question.

2. In further conversations with other administering members you should emphasize that main consideration is not what is acceptable to Special Committee but to GA where administering powers are in small minority. This factor considered of special importance this issue in view wide support Third GA for establishment Committee on permanent basis.

3. Belg, Brit, and Fr members should be informed that Dept feels statement reported urtel that their Govts might withdraw participation from a three-year Special Committee, should it become common knowledge, would have deplorable effect even if not implemented. Such a tactic would in our opinion be thoroughly disapproved by other UN members and would play into hands of Soviet propaganda on colonial issues.

ACHESON

501.BE/9-249 : Telegram

The Secretary of State to the Embassy in France

CONFIDENTIAL

WASHINGTON, September 2, 1949—8 p. m.

3286. Dept advised Belg, Brit and Fr Govts held meeting in Paris Aug 18 on policies re Special Committee on Information Transmitted under Article 73(e) of Charter (hereafter SCI), now meeting Lake Success. Please inquire discreetly and forward soonest any info obtainable re this meeting.

In informal caucus administering members (except Den) held Aug 24 Belg, Brit and Fr Reps informed US Rep their Govts might withdraw participation if SCI extended to three-year period. Inform FonOff Dept instructing USDel tell Belg, Br and Fr Dels that in our opinion such a course, shld it become common knowledge, wld have deplorable effect even if not implemented and that such tactics wld be thoroughly disapproved by other UN Members and wld play into hands Soviet propaganda on colonial issues.

Point out also that when US decided on non-participation in Amer Comite on Dependent Areas held at Havana it announced it believed

this Comite unnecessary as issues before it adequately handled by UN organs particularly SCI.

For urinfo major colonial powers strongly opposed to SCI's continuance with Den and NZ taking more moderate position. Non-administering members generally attach great importance to continuance and will undoubtedly push for permanent estab. Proposal make Comite permanent defeated 4th Comite GA last year by tie vote 17-17 with 18 abstentions. US supported continuance SCI one year in 1947, and in 1948 sponsored compromise proposal subsequently adopted that SCI meet again in 1949 "without prejudice as to future".

In formulating its policy Dept has taken into account broad polit factors which to some extent are independent of question merits SCI. Even if SCI were considered useless and dangerous, it wld be difficult kill or prevent its permanent estab unless US had alternative proposal appealing to sizeable bloc GA.

Dept, however, considers SCI has performed useful work in procedural field thus improving info transmitted and by establishing liaison with specialized agencies and ECOSOC, has coordinated various UN activities in colonial field. Important contribution of SCI has been that resolutions framed for GA by SCI in which administering members are 8 out of 16 more moderate than those which Comite 4 where administering members are 8 out of 59 wld adopt were it entrusted with same task in first instance.¹

View above situation, Depts position so far has been that US Rep in SCI shld (1) initiate or co-sponsor and actively support proposal for continuation SCI with balanced membership and present terms reference for three-year period, without prejudice reconsideration whole problem at 1952 GA; (2) vote against any proposal give SCI permanent status now.

USDel SCI being requested consult Den, Austrl, NZ privately and sound out position non-administering members. On basis this info Dept will decide what position USDel shld take in SCI and whether you shld make any formal representations to FonOff.

Sent Paris, repeated London,² Brussels³ for action, USUN for info.

ACHESON

¹ See telegram 1075, September 8, to the Embassy in Belgium, p. 356, for clarification of this paragraph.

² Telegram 3194.

³ Telegram 1066.

501.BE/9-649 : Telegram

The Chargé in Belgium (Millard) to the Secretary of State

CONFIDENTIAL

BRUSSELS, September 6, 1949—2 p. m.

1198. We discussed Deptel 1066 September 2 with Loridan, Chief of Foreign Office Political Department. He received this information sympathetically and said he would recommend to Van Zeeland¹ that Belgians reconsider their position. He confirmed report of meeting in Paris August 18 but had no news from Rijkmans² of meeting at Lake Success August 24. While claiming that Belgium legal position was strong in that requirements of Article 73-*e* did not necessarily contemplate special committee on information, Loridan admitted that political position of administering powers was very weak, and conceded that much propaganda could be made by USSR if administering powers adhered to position adopted August 18. Accordingly we feel that there is good prospect that Belgians at least may change their views although we learn privately that Minister of Colonies Wigny is personally hypersensitive on question of information re Congo. On this point Loridan commented this morning that Belgians feel that information should be given on regional basis and not on colonial basis. In other words if special committee required reports on education in Congo UN should also look to education in other parts of Africa such as Liberia and Union of South Africa.

Sent Department 1198, repeated Paris 203, London 139, Usun 2.

MILLARD

¹ Paul van Zeeland, Head of the Belgian Delegation to the General Assembly.

² Pierre Ryckmans, Belgian Representative on the Trusteeship Council.

501.BE/9-649 : Telegram

The Secretary of State to the Embassy in Belgium

CONFIDENTIAL

WASHINGTON, September 8, 1949—12 noon.

1075. View urtel 1198, Sept 6 presume further clarification Deptel 1066, Sept 2, unnecessary.¹ For your background info it shld be recalled that in GA 4th Comite administering powers are in minority 8 to 51. They find it difficult present their case amidst heated debates in which many small delegations not directly interested in colonial matters are swept away by emotional arguments against colonial admin in general. Therefore, almost impossible obtain adoption fair

¹ In an unnumbered telegram of September 6, 12 noon, the Embassy in Belgium had requested clarification of the sixth paragraph of Department's telegram 3286, September 2, p. 354.

and balanced resolutions. In SCI where balanced membership of 8 administering and 8 non-administering members requires compromise before any resolution can win majority, administering members can obtain adoption of well considered resolutions based on understanding hearing their case by non-administering members (except Soviet Union). After this preliminary screening of colonial issues in SCI, non-administering members of GA 4th Comite (except the Slavic bloc) tend adopt SCI recommendations without resort unduly long debates.

ACHESON

501.BE/9-849 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

CONFIDENTIAL

LONDON, September 8, 1949—7 p. m.

3620. Substance of Deptel 3194 September 2¹ discussed with both Jebb² and Allen, head UN Political Department. They indicated Special Committee on Information considered unnecessary and in some respects even harmful. However, they promised review of British position and held out some hope of modification particularly in view of point that existence of SCI had bearing on US non-participation in American Committee on DA held at Havana.

Sent Department 3620. Department pass USUN New York unnumbered.

HOLMES

¹ See telegram 3286, to Paris, September 2, p. 354.

² Sir H. M. Gladwyn Jebb, Supervising Under-Secretary, United Nations Department (Political, Economic, and Social), British Foreign Office.

501.BE/9-1249 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

CONFIDENTIAL

PARIS, September 12, 1949—7 p. m.

3744. Discussion Deptel 3286, September 2, at Foreign Office, Monod, head African Division, said he thought matter was now settled as continuation SCI for another three years "would certainly be voted at forthcoming UNGA".

While expressing understanding of US position, he reiterated French contention that SCI was not mandatory under charter, and said French opposition to three year prolongation results from French conviction that as a result there were nine chances out of ten that

committee would become permanent in fact. Monod rehearsed well known French position. In particular, he said France would have no objection to SCI if it limited itself to its technical and practical role, but was opposed to it as "one more forum for professional anti-colonialists such as Soviets and India".

Monod, however, assured us that France would not withdraw participation if SCI extended to three year period.

Sent Department 3744, repeated London 623, Brussels 112.

BRUCE

IO Files : US/A/C.4/129

*Memorandum of Conversation, by Mr. G. Hayden Raynor, Adviser, United States Delegation to the Fourth Session of the General Assembly of the United Nations*¹

SECRET

[NEW YORK,] November 24, 1949.

Subject: Trusteeship Committee Matters.

Participants: M. Vincent Broustra, French Delegation
Mr. Hayden Raynor, United States Delegation

M. Broustra sent word to me this morning that he wanted to see me on a very important matter. I saw him in the Lounge and he had with him an interpreter as he said he wished what he said to be entirely precise. He said he was speaking as Secretary-General of the French Delegation and on the instructions of his Government.

He said the French Government was more and more preoccupied over the matter of the policies of the United States in the Trusteeship Committee² and with respect generally to problems affecting dependent areas. He said that they recognized there was a strong public opinion in the United States on this question but he said we must realize there are also strong public opinions on the question in the countries of our friends.

¹ The Fourth Session of the General Assembly met at New York (Flushing Meadow), September 20-December 10, 1949. For documentation regarding the composition and organization of the United States Delegation to the General Assembly and its Advisory Staff, see pp. 12 ff.; a complete listing is also in United Nations. *Official Records of the General Assembly, Fourth Session, Plenary Meetings*, pp. xxii and xxiii (hereafter cited as GA(IV), *Plenary*). A record of the minutes of the meetings of the United States Delegation, position papers, and memoranda of conversations is in the master files of the Reference and Documents Section of the Bureau of International Organization Affairs, Department of State (cited as the IO Files). Matters pertaining to Non-Self-Governing Territories and Trusteeship Territories were discussed by the U.S. Delegation at meetings on September 29, October 4, October 5, October 14, November 7, November 22, November 29, and December 1. This document is taken from a book of memoranda of conversations relating wholly to Fourth Committee matters.

² The summary record of the meetings of the Fourth Committee is found in United Nations, *Official Records of the General Assembly, Fourth Session, Fourth Committee* (hereafter cited as GA(IV), *Fourth Committee*).

He said his government was finding it extremely difficult to understand our position. He said we were making great efforts to strengthen France and the countries of Western Europe and at the same time pursuing these other policies in the dependent areas field which had the effect of weakening the potential of France.

He said, at this point, that Foreign Minister Schuman had intended to discuss this question with Mr. Acheson on Mr. Acheson's recent trip to Paris³ but that he suspected that time did not permit this conversation. I told him that in so far as I knew it had not been raised at the Paris meeting. I stated, however, in my personal view, if the French felt as seriously about the matter as he said, that I thought it would be a good thing for the question to be discussed between us at a high level.

M. Broustra then said that it became even more difficult for them to understand our policy in the light of the Atlantic Pact.⁴ He spoke of the importance of Africa as a base in the last war and the increasing importance in this regard which it would almost inevitably play in the event of another conflict. He repeated several times the contrast and the difficulty of reconciling in French eyes the effort on the one hand to strengthen France and the North Atlantic community and, on the other hand, the pursuance of policies which will inevitably weaken this area.

He then said that our policy in France was playing directly into the hands of the Communists who follow the line that our objective in weakening the Colonial Powers is to step into these areas ourselves and control them.

M. Broustra asked if our government would study this question further in the light of the French view and especially that we study it not in a narrow specialized or technical sense but in relation to the broad considerations of security, defense and international peace.

I told him that we had long had this question under study and would undoubtedly continue the study and that I, personally, felt that there should be more exchange of views with his government on it. I explained in some detail the policy we attempted to follow and the reasons for it, stressing the importance that we not use up our "credit in the bank" that we had with the dependent peoples of the world because of our traditional support for independence. He said he recognized the importance of this and also recognized the force of our public opinion on this question, but that this still did not reconcile the matter for them as they thought our policy was weakening France and jeop-

³ The Secretary of State was in Paris November 12-14 for meetings with the British and French Foreign Ministers; among subjects discussed were Germany and Greece.

⁴ For documentation regarding the North Atlantic Treaty, see vol. iv, pp. 1 ff.

ardizing its security which must be a matter of concern to us because the security of Western Europe is important to the security of the United States.

In the discussion of our philosophy and point of view, I explained, as Mr. Notter⁵ and I previously did to Mr. McNeil,⁶ what we had in mind in co-sponsoring with Mexico the resolution on education in colonial areas. He replied to this by the usual argument that the terms of reference of the Special Committee are unconstitutional.

In addition to the request for a broad reconsideration of our general policies in this field, M. Broustra made a separate and specific request that we oppose, and endeavor to obtain sufficient Latin American opposition, in order that the Egyptian proposal, which would give the Assembly the power to decide what is and what is not a dependent territory, will not receive a two-thirds vote in the Plenary.⁷ He said this was a right of a metropolitan state and that if the Egyptian proposal was adopted it would not only increase agitation in dependent areas generally but would undermine the authority of the metropolitan states in these areas. I told him that I was not familiar with the Egyptian resolution or our position on it but that I would immediately call this to the attention of our people dealing with it.

M. Broustra said that we should take into account that on many important political questions France was supporting the position of the United States, although in many instances this position did not entirely coincide with that of the French Government or with French public opinion. I asked him for an example of this type of case and he replied immediately, atomic energy. However, that this did not mean that the French would change their position on atomic energy. The implication in this part of the conversation seemed fairly clear that a continuance of our trusteeship policies may have some affect on the French attitude on political questions in which we were interested. He said the French took these positions because of a recognition of the especially broad responsibilities which the United States has in the world and a desire to back us up.

In concluding the conversation, which was entirely friendly, although M. Broustra stated that perhaps he was so frank that he had been undiplomatic, I told him that I would, of course, report what he

⁵ Harley Notter of the Advisory Staff of the U.S. Delegation.

⁶ Hector McNeil, British Minister of State in the Foreign Office and Member of the United Kingdom Delegation to the General Assembly.

⁷ This refers to resolution VIII of a series of resolutions recommended by the Fourth Committee to the General Assembly for adoption, regarding information transmitted under Article 73 (e) of the UN Charter. For appropriate references to published UN documentation concerning these matters, see footnotes attached to document that follows.

had said and that, furthermore, I would see that it was called to the attention of high officials of the Department.⁸

⁸ The Deputy Under Secretary of State, Mr. Dean Rusk, reviewed the U.S. position regarding resolution VIII, because of the "strong representations by the French" (Minutes of 36th meeting of the U.S. Delegation, December 1, 1949, IO Files, US/A/M(Chr)/130), but no change was effected in U.S. policy.

IO Files : US/A/2010/Rev.1

United States Delegation Working Paper ¹

SUMMARY OF ACTION TAKEN BY THE FOURTH REGULAR SESSION OF
THE GENERAL ASSEMBLY

SEPTEMBER 20–DECEMBER 10, 1949

[Here follow certain general observations and summaries of the record of activities of the First, Second, and Third Committees and issues related thereto.]

REPORTS OF THE FOURTH COMMITTEE ²

(Trusteeship and Non-Self-Governing Territories)

(a) *Report of the Trusteeship Council* ³

Six resolutions were approved by the Assembly on this subject, on November 15.⁴ The United States voted in favor of these resolutions.

The first resolution deals with the political advancement of Trust Territories and, as adopted, simply takes note of decisions of the Trusteeship Council in this field, expressing full support of the Council's recommendations to the Administering Authorities for the adoption of measures to hasten the advancement of Trust territories toward self-government or independence; and recommends to the Trusteeship Council that it should include in its annual reports to the General Assembly information dealing with the implementation of its recommendations concerning measures adopted to grant the indigenous inhabitants of Trust Territories a larger degree of self-government through participation in the legislative, executive and judicial organs and procedures of these territories. As originally reported by the Fourth Committee, this resolution contained two additional provisions, both of which were defeated, under which the Assembly would have expressed the view that the seat of administration in all

¹ The date of this paper is December 19, 1949, and presumably it was written at New York.

² The several reports of the Fourth Committee may be found as indicated below.

³ See GA (IV), *Plenary, Annex*, pp. 19 ff.

⁴ See GA (IV), *Plenary*, pp. 173 ff.

Trust Territories should be located in the territories concerned, and would have called upon the Administering Authorities to furnish to the Trusteeship Council within one year a general plan of the means by which they intended to comply with the provisions of the Charter relating to the progressive development of Trust Territories toward self-government, self-determination or independence. The first of these provisions was rejected (a two-thirds majority being required for action in trusteeship matters) by a vote of 29 to 15, with 8 abstentions, while the second was defeated by a vote of 29 to 21, with 7 abstentions. Following the deletion of these two paragraphs, the resolution as a whole was adopted by 51 votes to 0, with 2 abstentions.

Resolution II, after taking note of the activities of the Trusteeship Council with respect to the examination of petitions and the sending of visiting missions to Trust Territories, recommends that the Trusteeship Council take appropriate measures to facilitate and accelerate examination and disposal of petitions and that it direct its visiting missions to report fully on political, economic, social and educational advancement, and particularly steps taken toward self-government or independence in the Trust Territories. This resolution was adopted by a vote of 54 to 0, with 1 abstention.

Resolution III, following a paragraph-by-paragraph vote, was adopted as a whole by 49 votes to 1, with 7 abstentions. This resolution, having to do with economic advancement in the Trust Territories, expresses support of the recommendations of the Trusteeship Council in this field; re-affirms the principle that the interests of the indigenous inhabitants must be paramount in all economic plans or policies in Trust Territories; expresses concern at the lack of budgetary autonomy in some cases and the scarcity of data in others, making impossible thorough examination by the Trusteeship Council of the financial situation of certain territories; notes with satisfaction the excellent financial situation in Western Samoa and Nauru; and recommends that the Trusteeship Council include in its annual report a special section dealing with implementation by the Administering Authorities of its recommendations on economic advancement of Trust Territories.

Resolution IV was adopted by 52 votes to 1, with 4 abstentions. This resolution expresses satisfaction at the recommendations of the Trusteeship Council concerning absolute prohibition of such practices as child marriage in Trust Territories; recommends the adoption of strong measures to abolish corporal punishment in certain territories; recommends that the Trusteeship Council consider the adoption of measures for the solution of such problems as migrant labor and penal sanctions for breach of labor contracts by indigenous inhabitants; recommends the abolition of discriminatory laws and practices in

Trust Territories and their examination by the Trusteeship Council; and requests the Council to include [in] its annual report a special section dealing with implementation of its recommendations concerning the improvement of social conditions in Trust Territories.

Resolution V, dealing with educational advancement in the Trust Territories, following a paragraph-by-paragraph vote, was adopted as a whole by 50 votes to 0, with 5 abstentions. This resolution, among other things, recommends that the Trusteeship Council continue its program for developing in the Trust Territories the diffusion of information on the United Nations; expresses the hope that the administering authorities will give special prominence to improving and increasing educational facilities; expresses the opinion that the more rapid development of facilities for high education in the Trust Territories constitutes an essential contribution to progress toward independence of the inhabitants of these territories; and recommends that the Trusteeship Council include in its annual reports to the Assembly a special section with respect to these matters.

Resolution VI, which was adopted by 48 votes to 5, with 4 abstentions, requests that the Trusteeship Council recommend to the administering authorities that the flag of the United Nations be flown over all Trust Territories, together with the flag of the administering authorities concerned, and the territorial flag, if there is one.

The first five of these resolutions result directly from recommendations contained in the report of the Trusteeship Council. Resolution I, dealing with political advancement in Trust Territories, was the subject of a great deal of discussion, and the two provisions which were subsequently deleted by the plenary were introduced by the Fourth Committee and not the Trusteeship Council. The Czech Delegation was responsible for the introduction of the provision that the administering authorities should be required to submit a plan within one year covering the program to be followed by the peoples of the territory in the achievement of self-government. The resolution regarding the use of the flag of the United Nations in Trust Territories was proposed by the Delegations of China, Costa Rica, Egypt, Liberia, Mexico, and the Philippines. This proposal had not been discussed by the Trusteeship Council.

*(b) Administrative Unions Affecting Trust Territories*⁵

The General Assembly on November 15, 1949, following a paragraph-by-paragraph vote, adopted a resolution on this item by a vote of 44 to 9, with 1 abstention.⁶ The resolution, after referring to the re-

⁵ For the report of the Fourth Committee on this matter, see GA (IV), *Plenary, Annex*, pp. 99 ff.

⁶ For the Assembly's plenary discussion, see GA (IV), *Plenary*, pp. 190 ff.

ports of the Trusteeship Council with respect to Administrative Unions Affecting Trust Territories, recommends that the Council complete its investigations, paying particular attention to certain matters, including the desirability of advance notice to the Trusteeship Council by the Administering Authorities of any proposed new administrative unions, the desirability of furnishing precise separate financial statistical information and other data relating to a Trust Territory, the desirability of establishing a separate judicial organ in each territory, the desirability of establishing a separate legislative body within each territory, and the desirability of taking into account in these matters the wishes of the inhabitants. The Trusteeship Council is further requested to complete its investigation and present a special report to the next regular session of the Assembly on its results, including particular reference to any safeguards which it may consider necessary to request from the Administering Authorities.

This resolution was opposed both in the Fourth Committee and subsequently in the plenary by certain of the administering powers, not including the United States. The basis for this opposition was that certain of these states had already taken steps toward the formation of administrative unions, which could not be considered as entirely in conformity with the recommendations set forth in this resolution or in the resolution adopted by the third regular session of the Assembly on this same subject.

*(c) Information from Non-Self-Governing Territories*⁷

Acting on the report of the Special Committee on Information Transmitted under Article 73(e) of the Charter, the Fourth Committee approved ten resolutions for action by the General Assembly. Action was taken on this item by the General Assembly December 2, 1949.⁸

Resolution I, which was adopted by a vote of 33 to 9, with 11 abstentions, recommends that when revision of the Standard Form for the guidance of Members in the preparation of information is undertaken, general information on geography, history, people and human rights should cease to be classified under the optional category of the Form; and expresses the hope that Members may voluntarily include details on the government of non-self-governing territories in the information transmitted by them under Article 73(e). The United States voted against the resolution. This resolution was strongly opposed by certain administering powers in the Fourth Committee because they regarded it as an attempt to make obligatory certain items of informa-

⁷ For the Fourth Committee's report, see GA(IV), *Plenary, Annex*, pp. 111 ff.

⁸ See GA(IV), *Plenary*, pp. 449 ff. General Assembly discussion began on December 1 and was concluded on December 2.

tion called for by the Standard Form which are at present classified as political in nature and which they believed should be retained in the optional category. Actually the Standard Form as a whole constitutes an optional arrangement for the transmission of information although it is in general followed by the Administering States in transmitting information under Article 73(e).

Resolution II, which was adopted by 44 votes to 1, with 7 abstentions, invites the Administering Members to take steps to establish equal treatment in matters relating to education of the inhabitants of the non-self-governing territories under their administration, and invites these Members to include in the information transmitted under Article 73(e) full data on the costs and methods of financing separate educational facilities where these are provided for different communities within a territory.

Resolution III invites the Administering Members to take steps to promote the use of the indigenous languages in territories under their administration, and invites UNESCO to undertake an overall study of this question. This resolution was adopted by 34 votes to 4, with 13 abstentions.

Resolution IV, dealing with the eradication of illiteracy in non-self-governing territories, invites UNESCO to communicate to the Administering Members information on measures for the suppression of illiteracy which could be applied with satisfactory results in non-self-governing territories, and to communicate annually to the United Nations an account of these measures and the extent to which its services have been utilized. It was adopted by a vote of 42 to 0, with 10 abstentions.

Resolution V, which was adopted by 39 votes to 2, with 8 abstentions, provides for international collaboration in regard to economic, social and educational conditions in non-self-governing territories between the United Nations and the specialized agencies.

Resolution VI is the key resolution in this series, since it provides for the establishment of the Special Committee on Information Transmitted under Article 73(e) of the Charter for a three year period, giving it the same terms of reference and the same composition as the predecessor Special Committee. This resolution was adopted by a vote of 44 to 5 with 4 abstentions. It may be noted that this particular resolution encountered strong opposition from the administering powers who oppose the Special Committee in principle and consider that it is probably illegal, since functions which they consider go beyond those contemplated in the relevant articles of the Charter are assigned to it.

Resolution VII, which was adopted by a vote of 35 to 5, with 9 abstentions, was originally proposed jointly by the United States and

Mexico. This resolution deals with the work program of the Special Committee and invites the Special Committee at its 1950 session, without prejudice to the consideration of the other two functional fields (economic and social) within its terms of reference, to give special attention to the problems of education in the non-self-governing territories.

Resolution VIII, which was most bitterly opposed by the Administering Members, was adopted on a roll-call vote by 30 votes to 12, with 10 abstentions including the United States. The resolution expresses the view that it is within the responsibility of the General Assembly to express its opinion on the principles which have guided or may in the future guide the Members concerned in enumerating the territories for which the obligation exists to transmit information under Article 73(e), and invites the Special Committee to examine the factors which should be taken into account in deciding whether any territory is or is not a territory whose people have not yet attained a full measure of self-government. The opposition of certain administering states arose out of the fact that certain of them have already ceased to submit information on certain non-self-governing territories, even though in the opinion of the majority of the Members of the United Nations, such territories have not achieved a full measure of self-government.

Resolution IX, which was adopted by 31 votes to 4, with 16 abstentions, relates to the publication of information relating to non-self-governing territories and notes the future requirement that this information is to be published in the three working languages.

Resolution X, which was adopted by 46 votes to 1, with 5 abstentions, requests the Secretary-General to keep the Special Committee informed of the nature of the technical assistance accorded to non-self-governing territories by specialized international bodies.

All ten resolutions met either with negative votes or abstentions on the part of certain of the administering powers, particularly the United Kingdom, France and Belgium. As indicated above, the United States voted against Resolution I, abstained on Resolution VIII, and voted in favor of the remaining resolutions.

Acting pursuant to Resolution VI, the Fourth Committee, on December 5, 1949, elected eight members of the Special Committee on Information Transmitted under Article 73(e) of the Charter, to balance the eight members submitting information: Australia, Belgium, France, Denmark, Netherlands, New Zealand, United Kingdom, and United States. The U.S.S.R., Egypt, India, and Brazil were elected for a three-year term; Mexico and the Philippines for a two-year term; and Sweden and Venezuela for a one-year term. Three states,

Belgium, France and the United Kingdom, did not participate in this election because of their opposition to the Special Committee. This action was reported to the plenary December 9.

(d) Question of South West Africa⁹

The question of the status of South West Africa was before the Assembly for the fourth time. The Assembly had previously recommended that the Government of the Union of South Africa should submit a trusteeship agreement for the territory of South West Africa and, pending that arrangement, should submit information on it as a non-self-governing territory in accordance with Article 73(e). No trusteeship agreement was submitted, and since 1947 no information on the administration of South West Africa has been submitted by the Union Government. Moreover, the Union Government formally advised the United Nations in 1949 that it would not submit information regarding its administration of the territory.

Two resolutions were recommended for adoption by the Assembly. The first of these, on which the President ruled, and was upheld, that a two-thirds majority was required, expresses the regret of the Assembly that the Government of the Union of South Africa has withdrawn its previous undertaking to submit reports on its administration of South West Africa; reiterates the three previous Assembly resolutions on this subject, expressing regret that the Union of South Africa has decided not to take them into account; and invites the Government of the Union of South Africa to resume submission of reports to the General Assembly and to comply with its previous decisions. Following roll-call votes on each of the paragraphs, the resolution as a whole was adopted by 33 votes to 9, with 10 abstentions, on December 6, 1949. The United States voted against the resolution.

The second resolution requests the International Court of Justice for an advisory opinion as to the international status of the territory of South West Africa and the international obligations of the Union of South Africa arising therefrom. In particular, the Court is asked to determine whether the Union Government continues to have international obligations under the mandate for South West Africa, whether the provisions of Chapter XII of the Charter are applicable in any way to the territory, and whether the Union Government has the competence to modify the international status of the territory of South West Africa, or if not, where such competence rests. The Secretary-General is requested to submit certain documents relating to the Assembly's consideration of South West Africa for the use of the

⁹ For the report of the Fourth Committee, see GA (IV), *Plenary, Annex*, pp. 103 ff. For the General Assembly's discussion of the matter, see GA (IV), *Plenary*, pp. 523 ff.

International Court. This resolution, also adopted on December 6, was approved by a vote of 40 (including the United States) to 7, with 4 abstentions, following separate votes on its several paragraphs. It may be noted that the President of the Assembly ruled without challenge that the reference to the Court did not require a two-thirds majority.

IO Files : US/A/2285

*Memorandum of Conversation, by the Principal Executive Officer
of the United States Delegation (Popper)*

CONFIDENTIAL

[NEW YORK,] December 8, 1949.

Participants: Mr. F. H. Corner, New Zealand Delegation
Mr. L. Wessels, South African Delegation
Mr. Joseph Nisot, Belgian Delegation
Mr. Pierre Pescatore, Luxembourg Delegation
M. Vincent Broustra, French Delegation
Mr. R. G. Riddell, Canadian Delegation
Mr. J. Parrott, United Kingdom Delegation
Mr. J. Plimsoll, Australian Delegation
Mr. John Hickerson, United States Delegation
Mr. David W. Wainhouse, United States Delegation
Mr. Hayden Raynor, United States Delegation
Mr. David H. Popper, United States Delegation

At a small dinner given by the United States Delegation on December 5, general impressions of the work of the Assembly were exchanged and comments were elicited in a wide variety of subjects considered at this session. The more important items covered are as follows :

[Here follows discussion of several matters: general evaluation of Fourth GA, usefulness of UN to Soviets, membership, and Assembly commissions and sub-committees; see p. 27.]

5. Committee 4

There was considerable discussion of the work of Committee 4, especially since the Assembly had wound up the South West Africa discussion on the day the dinner was held. Wessels went so far as to suggest the abolition of the Fourth Committee, particularly on the ground that it contained very many emotional individuals who took positions on their own, without instructions from their government. The thought was that these matters should be dealt with in Committee I which might be more responsible as a number of heads of delegations sat there. However, Corner doubted that the members of Committee I were necessarily more responsible. He and others pointed out that the First Committee had not been able to resist emotional appeals on the rapid granting of independence to various Italian Colonies, particularly Somaliland, even though the more responsible members of the Committee knew that there was no real prospect of preparing

Somaliland for independence in ten years. Wessels indicated that the South West Africa discussion had not gone too badly in the plenary session, since the most objectionable portion of the Indian resolution had been eliminated. Nevertheless, he said that he frankly did not know what instructions his government might send as a result of the debate and that his delegation was sitting on tenderhooks to see what the domestic reaction was going to be.

6. *Colonial Problem*

The Western Europeans spoke with considerable emotion about the illegal encroachment on their colonial prerogatives which was taking place in the UN. Nisot was particularly emphatic in stating that public opinion in his country simply would not accept this type of development and would be led by it even to raise the question of whether the UN was really a useful instrumentality at all. Nisot pointed out that Western European countries did not attack Latin American states or critically examine their internal policies, but that Latin Americans did not hesitate to make such attacks on Western European countries in an irresponsible manner for the alleged colonial practices of the latter. Parrott indicated that the United Kingdom had not yet reached a decision on the question whether it would continue to participate in the "73(e)" Special Committee. Nisot in private conversation prior to dinner made the following statement in the firmest manner, "Belgium cannot and will not make further concessions in the colonial field in the UN".

[Here follows discussion of the remaining subjects: Africa, the Interim Committee, the International Court of Justice, and the practice of consultation. Regarding the latter, see page 27.]

D[AVID] H. POPPER

IO/ODA Files: 1 Lot 62D228, Box 230, "Colonial Policy"

Memorandum by the Assistant Secretary of State for United Nations Affairs (Hickerson) to the Acting Director of the Office of Dependent Area Affairs (Robbins)

CONFIDENTIAL

[WASHINGTON,] December 23, 1949.

Subject: Review of United States policy regarding dependent territories in the light of the Fourth Session of the General Assembly.

As a result of our recent experiences during the Fourth Session of the General Assembly regarding matters pertaining to non-self-governing and trust territories, it is generally agreed that the United States policy on such matters should be thoroughly restudied in order

¹ Subject files of the Director of the Office of Dependent Areas for the years 1943-1961, as retired by the Bureau of International Organization Affairs.

that appropriate steps may be taken by this Government in relation to other United Nations Members, prior to the next meeting of the General Assembly.

Work should be undertaken on this problem immediately after the holidays and should be performed by a small group in which UNA, the geographical bureaus and S/P will be represented. The work which this group will need to perform falls clearly within the terms of reference of CDA—the Department Committee on Dependent Area Affairs—which are as follows:

“To initiate studies and formulate recommendations regarding American policy toward dependent area problems, to formulate recommendations for implementing such policy, and to provide a clearing house for information regarding dependent area problems of more than local significance. The Committee is particularly concerned with the work of the following international organizations and the role of the United States Delegations to these organizations: The Trusteeship Council, the General Assembly’s Special Committee on Information Transmitted under Article 73(e) of the Charter, Committee 4 of the General Assembly, the Caribbean Commission, and the South Pacific Commission.”

The membership of CDA as a whole, however, is too large to constitute an effective working group. It is therefore my belief that the working group should be set up as a sub-committee of CDA which would have as its chairman the Director of UND and should consist of those representatives of the geographical bureaus who have been principally responsible for handling United Nations work within their respective areas, i.e., ARA—Mr. Dreier, EUR—Mr. Raynor, FE—Miss Bacon, NEA—Mr. Kopper, and S/P—Miss Fosdick.

In order that this survey of our whole policy may get under way at once, you should get in touch with the persons mentioned above and plan meetings beginning next week.

IO/ODA Files : Lot 62D228, Box 230, “Colonial Policy”

*Memorandum of Conversation, by the United States Representative on the Trusteeship Council (Sayre)*¹

SECRET

[WASHINGTON,] December 31, 1949.

Subject: Colonial Problem and The United Nations

Participants: Sir Oliver Shewell Franks, the British Ambassador
Ambassador Francis B. Sayre

Under an appointment arranged by Assistant Secretary Hickerson I called on the British Ambassador at the British Embassy at ten

¹ Copies of this memorandum of conversation were distributed to the Deputy Under Secretary of State (Rusk), the Bureau of United Nations Affairs, all the geographic bureaus, the Policy Planning Staff, and the embassies at London, Paris, and Brussels.

o'clock this morning to discuss with him in an intimate and personal way the colonial problem and its ramifications. I began by making clear to Sir Oliver that I wanted to talk with him not in a formal way as an official of the United States Government but quite intimately and personally about problems that lay close to my heart.

I began by expressing my concern lest the policies being followed by the United Kingdom in the colonial field become the source of misunderstanding and criticism by other nations and particularly in the course of debates in the United Nations General Assembly and the Trusteeship Council. I said that with regard to the colonial problem, four factors, it seemed to me, were of importance and must be constantly kept in mind. The first is the ignorance and inexperience of a large majority of non-colonial states and their lack of appreciation of the responsibilities borne by the administering powers. Most of these have never wrestled with colonial problems and know nothing of the complexities and realities of the underlying issues and can therefore easily be misled by propaganda and misunderstanding. The second is the wide-spread popular misunderstanding of what British colonial policy really is—a misunderstanding based in part upon what took place during the Seventeenth, Eighteenth and early Nineteenth centuries, when much of the colonial policy of the world unhappily was in fact based upon exploitation and repression. In the popular mind colonial administration is still associated with exploitation. Thus, in a sense we are paying today for our sins of the past. The third factor in the problem is the wide-spread and popularly accepted fallacy that independence affords a ready and easy solution to the problem of dependent peoples. In truth, as those of us who have worked in the colonial field know full well, the solution of the problem of dependent peoples who lack education, who are without training and experience in self-government, or who are undeveloped economically must be sought through educational programs, through training in self-government, through political experience, and through economic and other forms of development. In the case of undeveloped subject peoples immediate independence may injure rather than help the genuine interests of the people. The fourth factor to be faced in United Nations work is the constant danger of combinations developing among three separate groups, viz: (a) the Latin American states, for the most part ignorant of colonial problems, incidentally themselves contributing very little to the interests of their own Indian and subject populations, but vaguely beneficent in their desires and wishing to end exploitation and suppression; (b) various of the Asian and Arab states, many of whom are still smarting under policies of suppression exercised against them during the Eighteenth and Nineteenth Centuries and therefore generally ready to side against colonial powers, and (c) the Soviet Union and her satellites which are always eager

to spread propaganda against the democratic states based upon charges of imperialism and suppression and which find in the issues of colonialism a fertile field for fomenting trouble.

As a result of these four factors a very natural and reasonable feeling is developing on the part of the colonial powers that they must build up some kind of defense and must prevent injurious interference in their colonial domains by representatives who do not share any of the actual burdens of the administering powers.

I went on to say to the Ambassador that there seemed to me a real danger in this situation, I said that I feared that the colonial powers might get their backs up and decide upon some policy based on negativism—a policy emanating rather from fear and irritation than one based upon a constructive, positive practical program. I pointed out that a negative policy might serve only to deepen the gulf between the colonial and non-colonial powers. This might produce a weakening of the United Nations and even a rift of misunderstanding between the British and American peoples.

I went on to say that to my mind one of the very great heritages which the British people have given to mankind is their achievements in the realm of colonial administration. Of the hundreds of millions of peoples who have actually achieved independence during recent years, by far the larger number have achieved it as a result of British administration. India, Burma, Ceylon and Pakistan are concrete examples. Had it not been for the training and political experience secured under British administration these peoples would never be independent today. In earlier centuries, true enough, British policies in these dominions were not always free from repression and exploitation. But since the end of the First World War, as all who have studied the true facts know, British colonial policy has entirely changed. Whatever one may say of the past, Britain may point with pride to her post-War achievements in colonial development, not only in the dominions but in many of the Crown colonies as well. I said that Britain has so much to be proud of in her colonial government of the Twentieth Century that one could hope that instead of pursuing a negative defensive policy with regard to the colonial problem, a constructive policy might be followed, based upon bringing to the attention of the peoples of the world the practical realities of her achievements and the pathways which she has tried to follow. Instead of being fearful of UN interference in her colonial development, it would seem that the United Kingdom is in a strong position to welcome the opportunity to make clear her post-War colonial record, to the peoples of the world through the United Nations; to acquaint them with what she is doing and what she hopes to do and to seek the cooperation of all in helping to achieve these hopes in the years that lie ahead.

I also explained to the Ambassador the fundamental position which, as I see it, the United States must take in these matters. In the first place, since the US was once itself a dependent people, our traditional policy must be, as it always has been, a policy of encouraging and assisting dependent peoples to progress toward self-government or independence, seeking this objective, however, through the pathway of education, economic development and training in the technique and responsibilities of self-government. In the second place, the US must always be mindful of its world-wide responsibilities. Strategic considerations cannot be lost sight of. In the years ahead the titanic battle now raging between communism and democracy may depend in substantial part upon the millions of subject peoples in Asia and Africa. The US cannot afford to let itself be placed on the opposite side of the fence from these peoples. We cannot afford to alienate them nor to throw them into the Soviet camp. In the third place, the US must be mindful of the problems and difficulties of the colonial states and of our friendship for them. In the European theater where the Western powers are under constant Soviet attack, the US must seek to strengthen and uphold these Western European powers, including particularly the colonial powers.

I went on to say to the Ambassador officially that the US is deeply concerned in this whole problem of colonial development. I informed him confidentially about the telegram which was sent yesterday afternoon to our Embassy in London (London #4660 December 30),² a copy of which is attached hereto, speaking of our concern and our hope to talk over this basic problem with the governments of the United Kingdom, France and Belgium. I mentioned to the Ambassador the news report which I had seen to the effect that the Western colonial powers expect to hold a conference in Paris in January to plan united front defense against UN "encroachment" in affairs of their colonies and dependencies, and expressed the hope that there might be a full exchange of views bilaterally between the US and the UK, France and Belgium in the near future. I said that undoubtedly the British Foreign Office is now formulating its policy and that the other members of the conference would doubtless look to the UK for leadership. I expressed the hope that such British policy as might be formulated would be broad-visioned and not based upon a fearful and defensive attitude of trying to hold off the United Nations from what colonial powers might consider overzealous activity. I said that to me the issue goes far beyond legal and constitutional questions and cannot be confined to a consideration merely of the legal powers of the Fourth Committee. I repeated that should the colonial powers formulate a

² Included in documentation scheduled for publication in *Foreign Relations*, 1950, volume II.

merely negative policy based upon defensive tactics against the UN, it could even cause a possible rift of misunderstanding between these nations and the US. In a problem involving issues as grave as these the US can never adopt a negative policy but must pursue a constructive one based upon strategic as well as colonial considerations.

I concluded by saying once again to the Ambassador that I had come to him to bare my heart in this very personal way because I am convinced that the UK and the US have fundamentally the same objectives in this problem and should find a way of working closely and wholeheartedly together.

The Ambassador replied with words of deep appreciation and showed that he thoroughly understood the spirit in which I had come. When I finished, he recapitulated the gist of what I had said. I received the impression of an understanding mind and of his substantial agreement with all that I said.

MATTERS PERTAINING TO THE DEVELOPMENT AND CODIFICATION OF INTERNATIONAL LAW

I. THE LAW OF TREATIES: INFORMAL DEPARTMENT OF STATE MEMORANDUM ON THE USE IN INTERNATIONAL AGREEMENTS OF THE “ACCEPTANCE” CLAUSE

501/9-1249

*Informal Memorandum Prepared in the Department of State*¹

[WASHINGTON, December 14, 1949.]

THE USE IN INTERNATIONAL AGREEMENTS OF THE PROVISION FOR “ACCEPTANCE”

As pointed out by Mr. Clive Parry in his memorandum of August 5, 1949 to Professor Clyde Eagleton, fairly frequent use is being made in international agreements of the procedural formula which provides that States may become parties by

- (1) signature without reservation as to acceptance; or
- (2) signature subject to reservation as to acceptance, followed by acceptance; or
- (3) acceptance.

As Mr. Parry intimates, the formula is designed to offer governments greater freedom in regard to the methods used to approve the

¹ This memorandum was sent to Clyde Eagleton, consultant to the International Law Commission of the United Nations, by Durward V. Sandifer, Deputy Assistant Secretary of State for United Nations Affairs, under cover of a letter of December 14, 1949, not printed. This was done in response to a letter of September 12, 1949, from Professor Eagleton (not printed, 501/9-1249), in which he transmitted to Mr. Sandifer a memorandum by Clive Parry of the United Nations Secretariat (Parry to Eagleton, August 5, 1949, 501/9-1249). The Secretariat memorandum solicited an authoritative opinion, especially as regarded U.S. usage, concerning “a formula” which had “appeared in recent years” for the conclusion of multipartite agreements, whereby States might become parties to such instruments “by less formal processes” than the ratification procedure, such as an “acceptance” clause. Professor Eagleton wrote, “This, as you know, is for a Secretariat document raising questions for consideration by the International Law Commission (Brierly, *Rapporteur*) [James L. Brierly, United Kingdom Member for the Commission] on the Law of Treaties, which is one of the three subjects the ILC is first to work upon.”

The General Assembly established the International Law Commission on November 21, 1947, and elected the Commission’s members on November 3, 1948; the first session of the Commission was held at Lake Success, New York, from April 12 to June 9, 1949; the other two topics listed for consideration by the ILC besides the Law of Treaties were Arbitral Procedure and the Regime of the High Seas; by General Assembly resolution on December 6, 1949, there had just been annexed to the latter item the subject of the Regime of Territorial Waters.

agreement.² This will permit a government to use that method of acceptance which seems preferable in the circumstances, perhaps the one that is easiest or politically most feasible to achieve. Mr. Parry's analysis of the formula, however, reflects at several points the widespread and generally erroneous notion that it is more difficult to secure consent of the Senate to ratification of an instrument as a treaty than it is to secure legislative approval or implementation of an agreement by both houses of Congress. If agreements are often sent to Congress for approval by both houses, it is not because that is considered easier to achieve than Senate consent to a treaty, but because for adequate reasons it may be desirable to give the House of Representatives an opportunity to consider the agreement. One factor, for example, is the fact that our international agreements increasingly involve expenditure of funds so that ultimately, at the appropriation stage, the House of Representatives must approve the project. There may also be reasons relating to the particular agreement or the state of the legislative calendar for seeking approval by both houses.

In his paragraph 4 Mr. Parry refers to "instances of failure on the part of the USA to take advantage" of the "acceptance" formula. Of course, if the "acceptance" formula is designed to give greater freedom in determining the form of legislative approval to be sought, it does not necessarily mean that when the time for action arrives the less formal procedure for acceptance will be chosen. Occasionally, too, the formula might be used even if the particular agreement, in the framework of the executive power and existing United States Law, needs no further legislation. In that case the purpose of the formula might be to withhold effectiveness as to the United States, until, for instance, there is satisfactory assurance concerning the effectiveness of the agreement in one or more other countries.

Until comparatively recent times—the past decade or so—instruments intended to have the formal character of treaties contained almost invariably the customary provisions, hallowed by long usage, for ratification or adherence—ratification by countries signatories to the treaty, followed by the exchange or deposit of instruments of ratification, and adherence by countries not signatories to the treaty, followed by the giving or deposit of notifications of adherence. The term "ratification" has had equal application as to both bilaterals and multilaterals. The term "adherence" has been applicable in the main to multilaterals. Through long-established usage, the terms "ratifica-

² Parry wrote: "An obvious, though not necessarily completely correct, explanation for the adoption of this formula, in preference to a ratification clause, is the difficulty encountered in certain States, notably in the United States, of securing constitutional consent to ratification, as opposed to whatever may be necessary for the conclusion of less formal instruments, such as executive agreements, by less formal processes, such as 'acceptance'."

tion" and "adherence" came to be recognized as terms of art so that they came to be associated inseparably with the idea of the most formal procedure applicable to treaties in their more formal sense. In short, these terms have become, generally speaking, quite inflexible in signifying formal treaty procedure. The term "accession" is also in some measure a term of art in treaty terminology. Its original signification seems to have been something less than "adherence" as applied to nonsignatories (for example, any *party* might give notice of accession on behalf of colonies, territories, etc.), but for a long while the terms "accession" and "adherence" have often been used interchangeably. Apparently there is no fixed rule.

It seems always to have been recognized that there are certain types of intergovernmental agreements that have not required the formal treaty procedure in order to make this fully effective between the countries parties to them. It was possible for the governments concerned to enter into such arrangements and to make them effective either upon signature or upon the occurrence of some specified contingency determinable on the executive level. This applied mainly in the field of bilateral arrangements, the most common procedure being the exchanging of diplomatic notes, although the signing of a single instrument by the respective representatives of the two governments was a more efficient and satisfactory procedure in some cases.

During the past fifty years, keeping pace with the rapid advances in international intercourse and the increasing complexities of foreign relations, international agreements have been negotiated in increasingly greater numbers and covering wider and wider areas of the world, as well as a greater variety of problems.

One of the most significant developments has been the increasing use of the multipartite instrument, whereby many countries join in formulating an arrangement. Out of sheer necessity, governments have found it necessary, so far as practicable and in harmony with their respective constitutional requirements, to develop flexible procedures for the making of international agreements. There is no apparent intention to supplant the well-established treaty procedure with respect to matters which must be dealt with by treaty. In the case of a bilateral agreement there is no special problem; with only two countries concerned, it is fairly easy to spell out with precision the procedure for bringing the agreement into force. In the formulation of multilateral agreements, on the other hand, it has been found that, because of the wide variations in national procedures, it is not always easy to be precise in spelling out a formula that will, to a considerable degree, leave it to each of the governments concerned to follow whatever procedure may be required by its constitution and laws in order to become a party to the agreement.

At international conferences within the past decade serious thought has been given to the devising of a procedural formula that would take into account the changing tempo of international intercourse and the need for such flexibility as may be possible, while at the same time allowing each government to determine for itself the national action which it must take. It was only natural, therefore, that in devising such a formula there would be an effort to find and use terms which, although they may have been used on some occasions previously, had not acquired the dignity of terms of art with more or less inflexible significance.

At the United Nations Monetary and Financial Conference, Bretton Woods, July 1944, there was devised and included in the Articles of Agreement of the International Monetary Fund (Article XX, Section 2) and the Articles of Agreement of the International Bank for Reconstruction and Development (Article II, Section 2) the following formula:

“(a) Each government on whose behalf this Agreement is signed shall deposit with the Government of the United States of America an instrument setting forth that it has accepted this Agreement in accordance with its law and has taken all steps necessary to enable it to carry out all of its obligations under this Agreement.

“(b) Each government shall become a member of the Fund [Bank] as from the date of the deposit on its behalf of the instrument referred to in (a) above, except that no government shall become a member before this Agreement enters into force under Section 1 of this Article.”

Under other provisions in the Fund and Bank agreements it was necessary for the agreements to enter into force by a specified date by final action taken by countries representing specified percentages of quotas or minimum contributions. It was highly desirable, therefore, to have the procedural provisions fairly flexible to assure that as many of the countries as could do so, in accordance with the requirements of their constitutions and laws, could take the necessary final action before the date specified. Formal instruments of ratification of the kind that would normally be executed in the case of a treaty, in the strict sense, were deposited by certain countries. In most instances, however, it was possible for governments to deposit instruments differing in form from the usual instrument of ratification but setting forth precisely, as required by the Bank and Fund Agreement, that “it has accepted this Agreement in accordance with its law and has taken all steps necessary to enable it to carry out all of its obligations under this Agreement”. In the case of the United States, it was possible to obtain from the Congress the requisite legislative authorization, including money appropriations necessary for fulfilling the obligations of mem-

bership, then to execute a simple instrument of acceptance, which was signed by the President. In other words, it was possible, upon the basis of United States law, to make the Bank and Fund Agreements effective for the United States without the need for transmitting the Agreements to the Senate with a view to ratification as treaties in the constitutional sense.

The flexibility of the "acceptance" procedure worked well in the cases of the Bank and Fund Agreements. Since that time the formula has been expanded along the lines indicated in the opening paragraph of this memorandum.

It is believed that the first use of this three-way provision, with some variations, was in the Protocol dated at Rome, March 30, 1946, for the termination of the 1905 convention for the creation of an International Institute of Agriculture and the transfer of the Institute's functions and assets to the Food and Agriculture Organization of the United Nations. Paragraph 2 of Article VI of that Protocol provides:

"2. This Protocol shall come into force upon its acceptance in respect to at least thirty-five Governments Members of the Institute. Such acceptance shall be effected by:

- (a) signature without reservation in regard to ratification, or
- (b) deposit of an instrument of ratification in the archives of the Organization by Governments on behalf of which this Protocol is signed with a reservation in regard to ratification, or
- (c) notice of accession in accordance with Article V."

The signature to that Protocol on behalf of the United States was affixed "Subject to ratification" because, since the 1905 convention to which it related was a formally ratified treaty, it was considered necessary to follow the same procedure with respect to the Protocol. Accordingly, it was sent to the Senate and, with its advice and consent, was ratified. Because of the flexibility of the formula, however, it was possible for certain other governments to follow a less formal procedure and the Protocol actually entered into force, by virtue of the deposit of the thirty-fifth acceptance, before the deposit of the United States instrument of ratification.

The simplified formula now being used with some frequency is not essentially different in its purpose from that set forth in the 1946 Rome Protocol. It makes it possible for any signatory government, which does not require further constitutional or legislative authorization to bring the agreement into force, to become a party upon signature, subject to such other provisions as the agreement may have regarding other contingencies (such as the requisite number of countries) which must occur to make the agreement definitive and effective. On the other hand, the formula makes it possible for a signatory government which considers it necessary either to follow formal treaty procedure

toward ratification or to take action for obtaining legislative approval or implementation, to reserve its position in this respect and to take whatever steps may be essential in accordance with its own national processes. The third item in the formula ("acceptance") takes care of the situation with respect to a nonsignatory government, which also is left free to take nationally any steps deemed by it to be essential as a basis for becoming a party.

It is possible, of course, for a particular agreement to specify without qualification that it enters into force on the date of signature. In that event, each government must decide for itself whether it can constitutionally or legally bind itself as a party to the agreement by signature only or whether further national action must be taken. If further national action is necessary, then the government should make a reservation to that effect at the time of signature. In the cases of certain agreements, such as the sugar protocols, the signature on behalf of the United States has been affixed with a reservation "Subject to ratification" or "Subject to approval". In any case where the reservation refers specifically to ratification, it is the invariable practice to send the agreement to the Senate as a treaty in the constitutional sense. If the reservation is "Subject to approval" or "Subject to acceptance", the agreement may still be sent to the Senate with a view to ratification, depending on the character of the agreement; for example, an agreement which amended or modified a treaty to which the United States is a party would be sent to the Senate with a view to ratification in the same way as the original treaty itself. On the other hand, a reservation "Subject to approval" or "Subject to acceptance" avoids the necessity for the negotiators to decide what national procedure shall be followed; this is sometimes a matter that requires careful consideration after the close of a conference at which an agreement has been formulated.

In the case of an agreement which provides that it shall be open for signature for a specified period only, signature by any government subject to a reservation as to ratification or approval would not seem to affect the status of that government as a "signatory"; the reservation would not of itself put that government in the status of a nonsignatory unless the agreement itself so stated.

As to the national action which must be taken in the event of a reservation for that purpose, it may be pointed out that so far as the United States is concerned, and no doubt so far as most other countries are concerned, this depends primarily on the character of the agreement, involving such factors as these: (1) whether it affects substantively the provisions of an existing treaty; (2) whether the substantive provisions of the agreement are already consistent with or within the framework of existing national law; (3) whether, if the agreement's provisions do not already have an adequate basis in national law, it

would be sufficient and practicable to obtain legislative action to lay such a basis in national law, than to take the necessary international action in accordance with such law; or (4) whether the terms of the agreement would, in and of themselves, establish fundamental law of a kind which, in the light of established constitutional concepts, makes it necessary to follow the customary treaty procedures. It probably would be unwise to attempt to lay down an inflexible rule-of-thumb applicable in all circumstances.

In any event, the national action which a particular government considers necessary in order to reach the point where it may take the requisite international action to become a full-fledged party to an agreement is not the concern of the other governments eligible to become parties to the agreement. So long as the terms of the agreement with respect to the method by which governments may become parties thereto are couched in sufficiently precise language, the way should be left open as far as practicable for each of the governments to handle its national procedure as it sees fit. That would seem to be the primary, if not the whole, object of the flexible formula which has lately gained popularity among negotiators; that is, the formula which provides for governments becoming parties to an agreement either (1) by unqualified signature, (2) by signature subject to reservation as to acceptance, followed by acceptance, or (3) acceptance in the case of a nonsignatory.

Editorial Note

The document that follows shows the different forms of adherence used by this Government to bring into force on the part of the United States major agreements respecting the United Nations and its specialized agencies, 1945-1949. The list has relevance also as affording a comprehensive view of the United Nations treaty system five years after the United Nations Conference on International Organization held at San Francisco, April 25-June 26, 1945.

501/3-949

Document Prepared in the Office of the Legal Adviser

[WASHINGTON, May 16, 1949.]

LIST OF MAJOR AGREEMENTS RESPECTING THE UNITED NATIONS AND SPECIALIZED AGENCIES

1. Declaration by United Nations (Executive Agreement Series 236)—signed at Washington January 1, 1942; signature constituted final action.

2. Agreement for United Nations Relief and Rehabilitation Administration (E.A.S. 352)—signed at Washington November 9, 1943; signature constituted final action.

3. Convention on International Civil Aviation (Treaties and Other International Acts Series 1591)—signed on the part of the United States at Chicago December 7, 1944; United States ratification deposited August 9, 1946.

4. Interim Arrangements concluded by the Governments represented at the United Nations Conference on International Organization (E.A.S. 461)—signed at San Francisco June 26, 1945; signature constituted final action.

5. Charter of the United Nations (T.S. 993)—signed at San Francisco June 26, 1945; United States ratification deposited August 8, 1945. [59 Stat. (pt. 2) 1031]

6. Constitution of the Food and Agriculture Organization of the United Nations (T.I.A.S. 1554)—signed at Quebec October 16, 1945; signature constituted final action.

7. Instrument establishing a Preparatory Educational, Scientific and Cultural Commission (E.A.S. 506)—signed at London November 16, 1945; signature constituted final action.

8. Constitution of the United Nations Educational, Scientific and Cultural Organization (T.I.A.S. 1580)—concluded at London November 16, 1945; United States instrument of acceptance deposited September 30, 1946.

9. Articles of Agreement of the International Monetary Fund (T.I.A.S. 1501)—signed at Washington December 27, 1945; United States instrument of acceptance deposited December 20, 1945.

10. Articles of Agreement of the International Bank for Reconstruction and Development (T.I.A.S. 1502)—signed at Washington December 27, 1945; United States instrument of acceptance deposited December 20, 1945.

11. Convention on the Privileges and Immunities of the United Nations—adopted by the General Assembly of the United Nations February 13, 1946; transmitted to Congress May 15, 1947 with a view to the enactment of legislation authorizing acceptance on the part of the United States. (The International Organizations Immunities Act, approved December 29, 1945 (Public Law 291, 79th Congress), as applied to the United Nations by Executive Order No. 9698 of February 19, 1946 (11 Federal Register 1809), extends to the United Nations and its personnel many of the privileges, exemptions, and immunities for which provision is made in the Convention on Privileges and Immunities of the United Nations.) [59 Stat. 669]

12. Agreement concluded by the Governments represented at the International Health Conference (T.I.A.S. 1561)—signed at New York July 22, 1946; signature constituted final action.

13. Constitution of the World Health Organization (T.I.A.S. 1808)—opened for signature at New York July 22, 1946; United States instrument of acceptance deposited June 21, 1948.

14. Constitution of the International Labor Organization Instrument of Amendment, 1946 (T.I.A.S. 1868)—adopted at Montreal October 9, 1946; United States instrument of acceptance deposited August 2, 1948.

15. Constitution of the International Refugee Organization (T.I.A.S. 1846)—opened for signature at New York December 15, 1946; signed for the United States December 16, 1946; United States instrument of acceptance deposited July 3, 1947.

16. Agreement on interim measures to be taken in respect of refugees and displaced persons (T.I.A.S. 1583)—signed for the United States December 16, 1946; signature constituted final action.

17. Trusteeship agreement for the former Japanese mandated islands (T.I.A.S. 1665)—approved by the Security Council of the United Nations April 2, 1947; approved on behalf of the United States July 18, 1947.

18. Protocol relating to an amendment to the Convention on International Civil Aviation (Senate Executive GG, 80th Congress, 1st session)—dated at Montreal May 27, 1947; now before the Senate for consideration with a view to receiving advice and consent to ratification.

19. Agreement regarding the headquarters of the United Nations (T.I.A.S. 1676)—signed at Lake Success June 26, 1947; brought into force November 21, 1947 by exchange of notes between the United States and the United Nations.

20. Universal Postal Union—Convention, Final Protocol, Regulations, Air-Mail Provisions, and Final Protocol to the Air-Mail Provisions (T.I.A.S. 1850)—signed at Paris July 5, 1947; United States ratification deposited July 13, 1948.

21. International Telecommunication Convention (Senate Executive B, 80th Congress, 2d session)—signed at Atlantic City October 2, 1947; United States ratification deposited July 17, 1948.

22. Convention of the World Meteorological Organization and protocol thereto (Senate Executive C, 81st Congress, 1st session)—opened for signature at Washington October 11, 1947; signed for the United States; advice and consent to ratification given by the Senate April 20, 1949; ratification deposited May 4, 1949.

23. United Nations Convention on the Privileges and Immunities of the Specialized Agencies—adopted by the General Assembly of

the United Nations November 21, 1947; draft legislation to facilitate accession now being prepared.

24. Interim Headquarters Agreement (T.I.A.S. 1677)—signed at Lake Success December 18, 1947; signature constituted final action.

25. Convention of the Intergovernmental Maritime Consultative Organization (Senate Executive L, 80th Congress, 2d session)—signed at Geneva March 6, 1948; now before the Senate for consideration with a view to approval with a reservation in regard to article 4.

26. Loan agreement between the United States and the United Nations—signed at Lake Success March 23, 1948; brought into force August 30, 1948 by United States notification to the United Nations.

27. International Trade Organization Charter—signed at Havana March 24, 1948; now before the Congress with a view to obtaining authorization to accept membership in the Organization.

28. International Convention for the Safety of Life at Sea, 1948 (Senate Executive B, 81st Congress, 1st session)—signed at London June 10, 1948; advice and consent to ratification given by the Senate April 20, 1949.

29. Convention on the International Recognition of Rights in Aircraft (Senate Executive E, 81st Congress, 1st session)—signed at Geneva June 19, 1948; transmitted to the Senate January 13, 1949 with a view to receiving advice and consent to ratification.

30. Protocol relating to international control of narcotic drugs (Senate Executive H, 81st Congress, 1st session)—opened for signature and signed for the United States November 19, 1948; transmitted to the Senate March 3, 1949 with a view to receiving advice and consent to ratification.

31. Convention on the Prevention and Punishment of the Crime of Genocide—opened for signature and signed for the United States December 11, 1948; preparations now being made for transmission of convention to Senate for advice and consent to ratification; preparations also being made for enabling legislation.

32. Protocol, with annex, relating to narcotic drugs (T.I.A.S. 1671, 1859)—opened for signature at Lake Success December 11, 1946; signed for the United States, subject to approval, December 11, 1946; United States ratification deposited October 14, 1947.

II. THE UNITED NATIONS CONVENTION ON THE PREVENTION AND PUNISHMENT OF THE CRIME OF GENOCIDE

501.BE Human Rights/6-649

The Acting Secretary of State to the President

WASHINGTON, June 9, 1949.

THE PRESIDENT: I have the honor to transmit to you a certified copy of the Convention on the Prevention and Punishment of the Crime

of Genocide,¹ adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948, with the recommendation that it be submitted to the Senate for its advice and consent to ratification.

The Convention defines genocide to mean certain acts, enumerated in Article II, committed with the intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such. These acts are discussed below.

The basic purpose of the Convention is the prevention of the destruction of a human group as such. The first resolution of the General Assembly on this subject, 96 (I), adopted unanimously by the Members of the United Nations on December 11, 1946, succinctly pointed out that "Genocide is a denial of the right of existence of entire human groups, as homicide is the denial of the right to live of individual human beings". The resolution also pointed out that genocide shocks the conscience of mankind, results in great losses to humanity and is contrary to moral law. Of course, homicide also is shocking, results in losses to humanity and is contrary to moral law. The distinction between those two crimes, therefore, is not a difference in underlying moral principles, because in the case of both crimes, moral principles are equally outraged. The distinction is that in homicide, the individual is the victim; in genocide, it is the group.

The General Assembly declared in this resolution that the physical extermination of human groups, as such, is of such grave and legitimate international concern that civilized society is justified in branding genocide as a crime under international law. The extermination of entire human groups impairs the self preservation of civilization itself. The recent genocidal acts committed by the Nazi Government have placed heavy burdens and responsibilities on other countries, including our own. The millions of dollars spent by the United States alone on refugees, many of them victims of genocide, and the special immigration laws designed to take care of such unfortunates illustrate how genocide can deeply affect other states. On September 23, 1948, Secretary of State Marshall stated that "Governments which systematically disregard the rights of their own people are not likely to respect the rights of other nations and other people and are likely to seek their objectives by coercion and force in the international field." It is not surprising, therefore, to find the General Assembly of the United Nations unanimously declaring that genocide is a matter of international concern.

Thus, the heart of the Convention is its recognition of the principle that the prevention and punishment of genocide requires international co-operation. However, the Convention does not substitute interna-

¹ For text, see United Nations, *Official Records of the General Assembly, Third Session, Part I, Resolutions*, p. 174.

tional responsibility for state responsibility. It leaves to states themselves the basic obligation to protect entire human groups in their right to live. On the other hand, it is designed to insure international liability where state responsibility has not been properly discharged.

The Convention was carefully drafted and, indeed, represents the culmination of more than two years of thoughtful consideration and treatment in the United Nations, as the following important steps in its formulation demonstrate:

The initial impetus came on November 2, 1946, when the delegations of Cuba, India, and Panama requested the Secretary-General of the United Nations to include in the agenda of the General Assembly an additional item: the prevention and punishment of the crime of genocide. The Assembly referred the item to its Sixth (Legal) Committee for study.

At its 55th plenary meeting on December 11, 1946, the Assembly adopted, without debate and unanimously, a draft resolution submitted by its Legal Committee. This resolution, referred to above, affirmed that "genocide is a crime under international law". It recommended international co-operation with a view to facilitating the prevention and punishment of genocide, and, to this end, it requested the Economic and Social Council of the United Nations to undertake the necessary studies to draw up a draft convention on the crime.

Pursuant to this resolution a draft convention on genocide was prepared by the *Ad Hoc* Committee on Genocide in the Spring of 1948 under the chairmanship of the United States representative on this committee. This draft was again discussed by the Economic and Social Council in July and August 1948 in Geneva, and then in the Legal Committee of the General Assembly at its third regular session in Paris, where again the United States delegation played an important role in the formulation of the draft convention.

On December 9, 1948, the General Assembly unanimously adopted the convention to outlaw genocide, which was signed by the United States two days later. When signing, the United States representative, said, in part:

"I am privileged to sign this Convention on behalf of my Government, which has been proud to take an active part in the effort of the United Nations to bring this Convention into being.

"The Government of the United States considers this an event of great importance in the development of international law and of co-operation among States for the purpose of eliminating practices offensive to all civilized mankind."

Genocide is a crime which has been perpetrated by man against man throughout history. Although man has always expressed his horror of this heinous crime, little or no action had been taken to prevent and

punish it. The years immediately preceding World War II witnessed the most diabolically planned and executed series of genocidal acts ever before committed. This time there was to be more than mere condemnation. A feeling of general repulsion swept over the world, and following the war manifested itself in the General Assembly's resolution of December 1946. It is this resolution to which the Legal Committee gave full content by providing the General Assembly with a legal instrument designed not only to prevent genocidal acts but also to punish the guilty.

The genocide convention contains nineteen articles. Of these, the first nine are of a substantive character, and the remaining ten are procedural in nature.

The Preamble is of a general and historical nature.

Article I carries into the Convention the concept, unanimously affirmed by the General Assembly in its 1946 resolution, that genocide is a crime under international law. In this article the Parties undertake to prevent and to punish the crime.

Article II specifies that any of the following five acts, if accompanied by the intent to destroy, in whole or in part, a national, ethnical, racial or religious group, constitutes the crime of genocide:

- (a) Killing members of the group;
- (b) Causing serious bodily or mental harm to members of the group;
- (c) Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
- (d) Imposing measures intended to prevent births within the group; and
- (e) Forcibly transferring children of the group to another group.

This article, then, requires that there should be a specific intent to destroy a racial, religious, national or ethnical group as such in whole or in part. With respect to this article the United States representative on the Legal Committee said:

"I am not aware that anyone contends that the crime of genocide and the crime of homicide are one and the same thing. If an individual is murdered by another individual, or indeed by a government official of a State, a crime of homicide has been committed and a civilized community will punish it as such. Such an act of homicide would not in itself be an international crime. To repeat the opening language of the Resolution of the General Assembly of December 1946, 'genocide is a denial of the right of existence of entire human groups'. This remains the principle on which we are proceeding.

"However, if an individual is murdered by another individual, or by a group, whether composed of private citizens or government officials, as part of a plan or with the intent to destroy one of the groups enumerated in Article 2, the international legal crime of genocide is committed as well as the municipal-law crime of homicide."

The destruction of a group may be caused not only by killing. Bodily mutilation or disintegration of the mind caused by the imposition of stupefying drugs may destroy a group. So may sterilization of a group, as may the dispersal of its children.

Article III of the Convention specifies that five acts involving genocide shall be punishable. These five genocidal acts are:

- (a) The crime of genocide itself;
- (b) Conspiracy to commit genocide;
- (c) Direct and public incitement to commit genocide;
- (d) Attempt to commit genocide; and
- (e) Complicity in genocide.

The Parties agree, in Article IV, to punish guilty persons, irrespective of their status.

In Article V the Parties undertake to enact, "in accordance with their respective constitutions", the legislation necessary to implement the provisions of the convention. The Convention does not purport to require any Party to enact such legislation otherwise than in accordance with the country's constitutional provisions.

Article VI makes it clear that any person charged with the commission of any of the five genocidal acts enumerated in Article III shall be tried by a court of the State in whose territory the act was committed, or by such international penal tribunal as may have jurisdiction with respect to those states accepting such jurisdiction. Thus, the commission in American territory of genocidal acts would be tried only in American courts. No international tribunal is authorized to try anyone for the crime of genocide. Should such a tribunal be established, Senate advice and consent to United States ratification of any agreement establishing it would be necessary before such an agreement would be binding on the United States.

By Article VII the Parties agree to extradite, in accordance with their laws and treaties, persons accused of committing genocidal acts; none of such acts is to be considered a political crime for the purpose of extradition. The United States representative on the Legal Committee, in voting in favor of the convention on December 2, 1948, said:

"With respect to Article VII regarding extradition, I desire to state that until the Congress of the United States shall have enacted the necessary legislation to implement the Convention, it will not be possible for the Government of the United States to surrender a person accused of a crime not already extraditable under existing laws."

Existing United States law provides for extradition only when there is a treaty therefor in force between the United States and the demanding government. Only after Congress has defined, and provided for the punishment of, the crime of genocide, and authorized sur-

render therefor, will it be possible to give effect to the provisions of Article VII.

Article VIII recognizes the right of any Party to call upon the organs of the United Nations for such action as may be appropriate under the Charter for the prevention and suppression of any of the acts enumerated in Article III. This article merely affirms the right of Members of the United Nations to call upon an organ of the United Nations in matters within its jurisdiction.

Article IX provides that disputes between the Parties relating to the interpretation, application or fulfillment of the Convention, including disputes relating to the responsibility of a state for any of the acts enumerated in Article III, shall be submitted to the International Court of Justice, when any Party to a dispute so requests.

On December 2, 1948, in voting in favor of the genocide convention, the representative of the United States made the following statement before the Legal Committee of the General Assembly:

"I wish that the following remarks be included in the record verbatim:

"Article IX provides that disputes between the contracting parties relating to the interpretation, application or fulfillment of the present Convention, 'including those relating to the responsibility of a state for genocide or any of the other acts enumerated in Article III', shall be submitted to the International Court of Justice. If 'responsibility of a state' is used in the traditional sense of responsibility to another state for injuries sustained by nationals of the complaining state in violation of principles of international law and similarly, if 'fulfillment' refers to disputes where interests of nationals of the complaining state are involved, these words would not appear to be objectionable. If, however, 'responsibility of a state' is not used in the traditional sense and if these words are intended to mean that a state can be held liable in damages for injury inflicted by it on its own nationals, this provision is objectionable and my Government makes a reservation with respect to such an interpretation."

In view of this statement, I recommend that the Senate give its advice and consent to ratification of the Convention "with the understanding that Article IX shall be understood in the traditional sense of responsibility to another state for injuries sustained by nationals of the complaining state in violation of principles of international law, and shall not be understood as meaning that a state can be held liable in damages for injuries inflicted by it on its own nationals".

The remaining articles are procedural in nature. By Article XIV the Convention is to be effective for an initial period of ten years from the date it enters into force, and thereafter for successive periods of five years with respect to those Parties which have not denounced the Convention by written notification to the Secretary-General of the

United Nations at least six months before the expiration of the current period.

Article XV provides that if there are less than sixteen Parties to the Convention, as a result of denunciations, the Convention shall cease to be in force from the effective date of the denunciation which reduces the number of parties to less than sixteen.

Article XVI authorizes any Party to request revision of the Convention, by notification in writing to the Secretary-General of the United Nations. The General Assembly shall decide upon the steps, if any, to be taken in respect of such request.

It is my firm belief that the American people together with the other peoples of the world will hail United States ratification of this Convention as another concrete example of our repeatedly affirmed determination to make the United Nations the cornerstone of our foreign policy and a workable institution for international peace and security.

Respectfully submitted,

JAMES E. WEBB

501.BB Human Rights/6-949

The President to the United States Senate

TO THE SENATE OF THE UNITED STATES: With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the Convention on the Prevention and Punishment of the Crime of Genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948, and signed on behalf of the United States on December 11, 1948.

The character of the Convention is explained in the enclosed report of the Acting Secretary of State. I endorse the recommendations of the Acting Secretary of State in his report and urge that the Senate advise and consent to my ratification of this Convention.

In my letter of February 5, 1947, transmitting to the Congress my first annual report on the activities of the United Nations and the participation of the United States therein, I pointed out that one of the important achievements of the General Assembly's First Session was the agreement of the Members of the United Nations that genocide constitutes a crime under international law. I also emphasized that America has long been a symbol of freedom and democratic progress to peoples less favored than we have been and that we must maintain their belief in us by our policies and our acts.

By the leading part the United States has taken in the United Nations in producing an effective international legal instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime. By giving its

advice and consent to my ratification of this Convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.¹

[HARRY S. TRUMAN]

THE WHITE HOUSE,
June 16, 1949

¹ The Senate took no action on the Genocide Convention in 1949 nor in the years that immediately followed. For relevant discussion of this matter, see James Frederick Green, *The United Nations and Human Rights* (The Brookings Institution, Washington, D.C., 1956), pp. 97 ff.

CANADA

DISCUSSIONS BETWEEN THE UNITED STATES AND CANADA REGARDING ECONOMIC AND MILITARY MATTERS

611.4231/2-249

*Memorandum by the Chief of the Division of Commercial Policy
(Willoughby)*¹

TOP SECRET

[WASHINGTON,] February 2, 1949.

Subject: Conversations between the President and Prime Minister
St. Laurent:² Further U.S.-Canadian Tariff Negotiations

The following is suggested for inclusion in the briefing memo³
which you are preparing for the President:

The Prime Minister may suggest to you the possibility of entering
into tariff negotiations to expand trade between Canada and the
U.S.

During the past year exhaustive consideration has been given by
commercial policy experts in the Department and their counterparts
in the Canadian Government to the possibilities of entering into a
very comprehensive trade arrangement looking to the substantial
elimination of tariff barriers between the U.S. and Canada. Owing
to possible repercussions on their elections, which probably will be
held next summer, the Canadians have insisted that the discussions
be classified top secret and restricted to exploratory conversations
between small groups of technical experts. The Department has been
told recently that the Canadian Government cannot undertake nego-
tiation of such a comprehensive proposal prior to their elections, but
that they may suggest a more limited one.

The Department believes that a very comprehensive plan to bring
the two countries together economically might catch the imagination
of the general public in the U.S. and assure a favorable reception on
grounds of security and other general interest whereas a limited trade
arrangement would not offer important advantages and would arouse
strong opposition, specially among American farmers fearing com-

¹ Addressed to the Chief and Assistant Chief of the Division of British
Commonwealth Affairs, Livingston L. Satterthwaite and William P. Snow
respectively.

² Louis Stephen St. Laurent, Prime Minister of Canada.

³ Not found in Department of State files.

petition. Until it becomes clear whether it will be feasible to negotiate, after the Canadian elections, a far-reaching arrangement, it is believed that we should not undertake limited tariff negotiations.

It is recommended that you do not raise the question of tariff negotiations. If the subject is brought up by Mr. St. Laurent, the Department recommends that you express merely a general desire to take any practicable action to promote close economic relations between our two countries and a willingness to explore any proposals by Canada.

611.421/2-1349

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] February 13, 1949.

Participants: The President
Prime Minister of Canada, Mr. Louis St. Laurent
Secretary Acheson

After luncheon at the Blair House on Saturday, February 12, the President and the Prime Minister retired for a general discussion. Secretary Acheson was present.

The Prime Minister reviewed briefly the situation confronting his Administration. He said that in the economic field Canada's former position, of selling largely in Europe and buying largely in the United States, probably could not be recovered.

The Prime Minister said Canada must hope to balance its payments with the United States by producing more of the goods which it could sell to us. If Canada would, as seemed hopeful, develop petroleum resources and its own coal supplies, he thought it would relieve a burden on U.S. resources and free dollars for other purchases. He said Canada hoped for closer trade relations with the United States.

On the political side, the Prime Minister stated that his Administration faced a general election within eighteen months and he expected that the election would not be postponed to the end of this Parliament's life.

The Prime Minister made specific suggestions on U.S. orders for some military items in Canada. He stressed the importance of furthering adoption of common equipment by the two forces. This meant, he said, the purchase of many items by Canada in the United States with the help of our forces—but this took dollars badly needed. He said Canada herself could concentrate on a few items which it could produce economically if orders were in volume. He asked if the United

petition. Until it becomes clear whether it will be feasible to negotiate, after the Canadian elections, a far-reaching arrangement, it is believed that we should not undertake limited tariff negotiations.

The President said that the Prime Minister's suggestion deserved most careful examination and directed Secretary Acheson to institute a study. (Secretary believes this should not be through NSC)

The Prime Minister said he was greatly disturbed over the possibility that ECA might end the financing of British wheat purchases in Canada. He said this would have a disastrous effect on the Western provinces and on the whole Canadian-British and Canadian-U.S. trade. It was explained to the Prime Minister that the problem centered on whether the present law was continued which made financing impossible of wheat declared surplus in the United States and on whether wheat became surplus here. It was also pointed out that the wheat agreement had a direct bearing and that Canada could be very helpful by assisting in getting British cooperation for an agreement. If no agreement occurred and the world prices fell, the United States Government would be in a difficult position in acquiring wheat under price support procedures and still financing sales in Canada instead of supplying its own wheat. The Prime Minister said he understood and would try to be helpful. (Labouisse, Nitze and Thorp¹ should note this)

The St. Lawrence project was briefly mentioned and the Prime Minister stressed Canada's great interest in it. The President assured the Prime Minister that his demonstrated desire for the project continued.

The Prime Minister said he recognized the legal commitments in the Newfoundland base agreements² and did not propose to change them. He suggested the possibility of an exchange of notes by which the parties might express the intention, for the present, to exercise undoubted legal rights in certain ways which would not push the rights to the limit. He referred to some management of imports for post exchange, duty free, which would control bootlegging. He also mentioned some treatment of military personnel who violated the law when not discharging duties compatible with regard to Canadian sovereignty. The President expressed a desire to facilitate examina-

¹ Henry R. Labouisse, Coordinator of Foreign Aid and Assistance; Paul H. Nitze, Deputy to the Assistant Secretary of State for Economic Affairs; and Willard L. Thorp, Assistant Secretary of State for Economic Affairs.

² Reference here is presumably to the Leased Bases Agreement of March 27, 1941, between the United States and the United Kingdom (Executive Agreement Series 235; 55 Stat. 1560). The commitments made in that agreement were under review by Canada because the territory of Newfoundland was scheduled to become a part of Canada on April 1, 1949.

tion of this proposal in a sympathetic way and directed Secretary Acheson to see that discussions were had.³

In response to a general suggestion for reduction of trade barriers, it was agreed that we had to proceed slowly to avoid raising fears on both sides of the border. We should always be glad to discuss any points raised.

The meeting ended with mutual expressions of esteem.

D[EAN] A[CHESON]

³ An exchange of notes effected in Washington on July 19 and August 1, 1950, modified the 1941 Leased Bases Agreement, by substituting an entirely new Article IV regarding jurisdiction, and modifying Article VI as it related to the new Article IV; for texts, see Department of State, *Treaties and Other International Acts Series No. 2105*; or *United States Treaties and Other International Agreements*, vol. I, p. 585. For information regarding a 1949 agreement respecting Newfoundland military air bases, see p. 417.

711.42/3-2449

Memorandum by the Assistant Chief of the Division of British Commonwealth Affairs (Snow) to the Director of the Executive Secretariat (Humelsine)

SECRET

[WASHINGTON,] March 24, 1949.

Subject: Progress Report on Questions Raised at February 12 Conference between the President and the Canadian Prime Minister.

References: (1) Memorandum of conversation prepared by the Secretary on February 13, 1949 covering the conversations.

(2) Similar memorandum prepared by the Canadian Ambassador (copy attached).¹

I. *St. Lawrence Seaway and Power Project*. The discussion between the President and the P.M. on this subject was general and no commitment was made. The issue is an old one dating from the late 1920s and hinging now upon Congressional approval of the U.S.-Canadian Executive Agreement of 1941.² Mr. Gross'³ office is handling the legislative side of this question for the Department, assisted by BC and IR. Since Mr. Aaron Ford was appointed a few days ago as coordinator of this project for the Executive Establishment, no further major developments have come to our attention. The matter, however, is being actively followed by all concerned in the Department and two research studies requested by BC have now been completed for use in support of the legislative effort. Likewise, PL is coordinating two draft papers

¹ Not printed.

² For text, see *Foreign Relations, 1941*, vol. III, p. 159.

³ Ernest A. Gross, Legal Adviser of the Department of State.

for circulation inside and outside of the Department in regard to the St. Lawrence Project.

II. *Canadian Military Procurement in the U.S. and Vice Versa.* The Prime Minister raised this point and the President agreed to have the subject examined by this Government. The question is a very complicated one concerning which much work has already been done and much remains to be done. It came to the fore in June 1948 when surplus property procedures were terminated so that beginning July 1st, Canada could no longer procure equipment from surplus stocks. It is an established policy that Canada and the U.S. shall standardize their military equipment and procedures to the maximum degree. Theoretically, Canada can now place contracts direct with private industries in the U.S., subject to export control licenses when the products are finished. In practice, this is of little avail for reasons of priority, price, lateness of design, government inspection, production of some items solely by U.S. Government arsenals, and involved design and patent rights. Hence, it is essential in the interests of standardization and suitable Canadian armament for Canada to be able to procure from and through the National Military Establishment. For a time it was thought that passage of the projected Inter-American Military Cooperation Act would solve the problem but that bill has failed of passage in two sessions and been at least temporarily put aside. Recently, 22 U.S.C. 421 has been considered as the clue to a partial solution of the problem. It is now being discussed with the Budget Bureau by the N.M.E. and the U.S. Section of the Permanent Joint Board on Defense, with the possibility that it may be brought into play within the next few weeks to make possible Canadian purchases of jet aircraft, among other items. L and BC are actively following this matter. The best solution of all would be the passage of the proposed Military Assistance Act of 1949.⁴ As you know, the Department is playing a leading role in that connection. Another partial and temporary expedient for facilitating Canadian procurement was disclosed last week at the Defense Board meeting by Major General Bolte of the Army. It would provide, on a limited scale for an exchange of equipment through a third party such as a U.S. manufacturing concern and the Canadian authorities are pursuing this with the U.S. Army at the moment.

In December 1948 the Defense Board passed a formal recommendation in favor of arrangements which would permit of Canadian mili-

⁴ President Truman signed the Mutual Defense Assistance Act of 1949 on October 6. For text and accompanying statement by the President, see Department of State *Bulletin*, October 24, 1949, pp. 603-608. For documentation concerning the development of this legislation as it related to the North Atlantic Treaty Organization and steps toward European integration, see vol. iv, pp. 1 ff.

tary procurement and this is being submitted to the Secretary and the President for approval within the next few days,⁵ having already been approved by the four Defense Secretaries. When the question of separate legislation just for Canada has been raised, our position has been that broader pending legislation would be more desirable and more readily obtainable, with particular reference to the Military Assistance Act of 1949.

The Prime Minister also discussed with the President the Canadian dollar exchange position as it will affect procurement. He said that unless the U.S. would be prepared to contract for certain items of equipment in Canada over and above raw materials, Canada would soon find itself without sufficient U.S. dollars to carry forward its program and fulfill its defense responsibilities. The Journal of the Joint Defense Board for our meeting of March 17-18, 1949, which will be ready in a few days, reflects a full discussion on this point and a realization on the part of all military services that the problem requires attention. There is in prospect the early formation of a joint U.S.-Canadian Industrial Mobilization Committee⁶ which would be the ideal group to undertake a study of World War II procedures under the Hyde Park Agreement and to recommend a current solution. The final details of this committee's establishment are being worked out by the Department and the NSRB, with the expectation that an instruction will be going to Ottawa within the next two weeks. I have been designated the Department's observer alongside this projected committee and will introduce the procurement question at the first available moment once the committee starts functioning.

The main barriers now in the way of U.S. military procurement in Canada are (a) the "Buy American" legislation still in force, (b) the wording of the annual military appropriation bills, and (c) a certain reluctance on the part of the N.M.E. to place vital contracts outside of the country.

As the North Atlantic Pact moves along, the self-help and mutual aid aspect of it will come up for analysis and will constitute another approach to the idea of reciprocal procurement.

III. *North Atlantic Treaty*. The discussion under this heading was general and called for no commitments.

IV. *Communications with Alaska*. The President directed the attention of the Prime Minister to the desirability of improving the land communications between the U.S. and Alaska, and made specific

⁵ Approved by the President in late March or early April (842.20 Defense/3-2549).

⁶ For text of an agreement between the United States and Canada respecting a Joint Mobilization Committee, effected by exchange of notes signed at Ottawa April 12, 1949, see Department of State Treaties and Other International Acts Series TIAS No. 1889, or 63 Stat. (pt. 3) 2331.

reference to a proposed rail connection from Prince George, B.C. to Fairbanks, and to a highway which would roughly parallel this rail route. Senator Magnuson ⁷ has introduced a bill and a joint resolution into the Senate in relation to the rail project. There is likewise an Inter-Agency Committee on Alaskan Development on which I am the Department's representative and which has been studying Alaskan communications for some months. On behalf of this committee, we approached the Canadians last November, asking for a meeting in Ottawa to discuss the whole problem. We were turned down in December, and this position was reaffirmed informally by Ottawa three weeks ago.

For current political reasons, as well as for those of national pride and sovereignty, Canada does not wish to discuss the communications subject. Dominion-Provincial relations are involved; the railway project is somewhat visionary, and complicated by the activities of an unscrupulous promoter . . . and it does not have the enthusiastic support even of our military, although they would like to see a railroad there if the project did not have too high a construction and money priority. The more we press the Canadians, the more inclined they are to feel resentful and unwilling to take action. We have informed Senator Magnuson and the Interior Department (the latter is also pressing us) that we will gladly approach the Canadians again at the appropriate time on the communications subject but that time will doubtless not be before the Canadian general elections this coming fall.

V. *Off-shore Purchases of Canadian Wheat by ECA.* The Prime Minister expressed concern to the President lest increasing supplies of wheat in the United States should force wheat to be declared surplus within the meaning of ECA legislation. If this should occur, ECA would no longer be able to finance British purchases of Canadian wheat. The President and the Secretary expressed interest in the Prime Minister's statement and agreed to investigate and to institute any appropriate action. I believe the Secretary later spoke with the Secretary of Agriculture ⁸ and that the Prime Minister on February 13 had a conversation with Mr. Hoffman ⁹ at the Secretary's house. Furthermore, a Canadian delegation came to Washington a short time afterward and went into the matter thoroughly with officers of the Department and ECA. The result has been that wheat has not yet been declared surplus in the sense that the Prime Minister meant because the British have been persuaded to discontinue placing their Canadian wheat purchases through ECA. Other means will be sought

⁷ Warren G. Magnuson, Senator from Washington.

⁸ Charles F. Brannan.

⁹ Paul G. Hoffman, Administrator, Economic Cooperation Administration.

whereby an equivalent amount of ECA dollars will reach British hands so that Britain can continue to absorb Canada's wheat surplus under its current contract with Canada. If this continues to work, it means that Canada will not, for the time being, have either a pressing wheat commodity or dollar exchange problem. Messrs. Thorp, Nitze and Willoughby can give you better and more current information on this topic.

VI. *Newfoundland Bases*. The Prime Minister brought up this issue in much the same manner as the Canadian Ambassador did with Mr. Lovett last November.¹⁰ The President was fully informed on the basis of the brief prepared for him and the Secretary by BC a few days before. There has been no essential change of position since that brief was prepared in the second week of February. We are waiting for the Canadians to come forward with a specific set of requests and proposals for renegotiation of the 1941 Bases Agreement.¹¹ As indicated to the P.M. by the President, these will receive full consideration when they are forthcoming.

VII. *New Trade Negotiations*. Mr. Willoughby of CP is the best authority on this. For some months the Canadians have shown a desire for both political and commercial reasons to open negotiations with us for a further reduction in trade barriers. CP's general feeling has been that there was relatively little leeway left for further profitable negotiations under existing legislation but the Canadians have persisted. Most recently they have asked if they could include in their budget submission a statement to the effect that new negotiations were being initiated. We have said in reply that this would be highly inadvisable since a bill for the renewal of our trade agreements authority was still pending before the present Congress. Once Congress has taken action, it will probably be possible to arrange something which will satisfy Canadian political, if not commercial, requirements.¹²

¹⁰ The Canadian Ambassador, Hume Wrong, raised this subject with Acting Secretary Robert A. Lovett in a letter dated November 19, 1948, not printed. He pointed out that complications could develop and friendly relations between Canada and the United States might be endangered if the United States continued to exercise extraterritorial jurisdiction over nonmilitary activities in the leased areas after the union of Newfoundland and Canada. (811.34544/9-948)

¹¹ See footnote 3, p. 396.

¹² On September 19, Canada devalued its dollar. The American Ambassador in Canada, Laurence A. Steinhardt, in his telegram 146 of September 20, not printed, said that Canadian Finance Minister Douglas C. Abbott had intimated that devaluation would tend to lessen the need for further restrictions on imports from the United States (842.5151/9-2049). In telegram 150 of September 23, not printed, Steinhardt indicated that official sources in Canada seemed to feel that there was still scope for further tariff reductions and that Canada would approach the United States on the subject when further study made discussion of a new trade agreement possible (611.4231/9-2349).

VIII. *Status of the Canadian Liberal Party.* In view of the forthcoming general election and the prospect of a hard-fought campaign in connection with it, the Prime Minister saw fit to suggest that it would be in the interest of this Administration to do nothing which would prejudice the chances of the Liberal Party. The President and the Secretary naturally made no commitment on this subject and so it is not a pending issue in the strict sense.

For your information and convenience, I am enclosing a copy of the Canadian Ambassador's memorandum of the conversations held on February 12th.

842.7962/9-849

Memorandum of Conversation, by the Secretary of State

SECRET

[WASHINGTON,] October 27, 1949.

Participants: Ambassador Hume Wrong—Canada
The Secretary of State
Ambassador Philip C. Jessup

In the course of a call this morning, Ambassador Wrong raised the question of the Newfoundland bases. He said that he had been strictly instructed to mention this matter directly to me but that he had already taken it up with Mr. Rusk.¹ I told him that Mr. Rusk had mentioned his call to me. I said that my last contact with the matter had been on the occasion of the talks in Washington last month. At dinner at the Canadian Embassy I had talked with Mr. Pearson² and told him that of course we were willing to discuss the matter with him but that before entering into these discussions we wished to iron out certain questions with the Department of Defense.

The Ambassador said that the matter had a considerable degree of urgency because Mac Lean's magazine, the only national magazine in Canada, had had a man working on this subject collecting information in Newfoundland and in Washington. He had talked with a number of people in the Pentagon and some rather unfortunate statements had apparently been made to him. Although the Canadian Government had tried to persuade the editor of Mac Lean's not to publish the story, he had insisted that they would do so and it is to appear in the issue of November 15. The Canadian Government anticipates that this will raise a rather disagreeable debate in Parliament and might result in a nasty newspaper war unless the Canadian Government is in a position to make a satisfactory statement. The Ambassador said that he

¹ Dean Rusk, Deputy Under Secretary of State.

² See the Secretary's memorandum of his conversation on September 10 with Lester B. Pearson, Canadian Secretary of State for External Affairs, p. 410.

would go into further detail with Mr. Rusk but that one of the points which concerned them was the question of the definition of our military's jurisdictional rights in the bases. He said it would not go down very well with Canadian opinion to say that these were the same rights which were exercised in some of the small West Indian islands. He also noted that the negotiation of a new agreement would probably be unsatisfactory in the sense that the Canadian Government would then have to take the onus of accepting on its own part a servitude instead of merely continuing a relationship which had been established previously by the British Government. The Ambassador also recalled that, when the Canadian Prime Minister had discussed this matter with the President, Mr. Truman had suggested that while he had anticipated there might be some difficulty with the point of view of the Defense Department he hoped that he, the President, and I could adjust the matter. The Ambassador thought that the time might be approaching when it would be necessary to invoke that type of high-level solution.³

I told him that I would be glad to consider the matter further when I had received from Mr. Rusk further information on the details which the Ambassador was about to give him.

DEAN ACHESON

³ In a memorandum dated October 27 covering his conversation with the President, presumably on that date, Acheson said that Truman had emphatically assured him that in the interests of maintaining good relations with Canada, he would go into the matter of the Newfoundland bases any time the Secretary felt it was necessary to do so (842.7962/9-849).

842.00/11-849

*Memorandum by the Director of the Office of British Commonwealth and Northern European Affairs (Labouisse) to the Assistant Secretary of State for European Affairs (Perkins)*¹

CONFIDENTIAL

[WASHINGTON,] November 8, 1949.

In Ambassador Steinhardt's telegram No. 169, of October 26th,² seven pending U.S.-Canadian issues are cited as causing irritation to the Canadians because of the failure so far to reach solutions agreeable to Canada. These issues will be discussed below and a statement made as to the status of each.

1. *Inaction with regard to the St. Lawrence Seaway and Power Project.* The U.S. Government signed a treaty with Canada in 1932 concerning this project but was unable to obtain Senate approval. Con-

¹ Memorandum initialed by William P. Snow, officer in charge of Dominion affairs in the Office of British Commonwealth and Northern European Affairs, and Secretary of the U.S. Section of the Permanent Joint Board on Defense.

² Not printed.

sequently, an Executive Agreement was negotiated and signed in 1941 requiring the majority approval of both houses of Congress rather than two-thirds approval of the Senate. Since 1941 this Department has tried repeatedly to obtain Congressional approval for the Agreement. The opposition, to the Seaway in particular, is strong and fairly well organized, based upon railroad interests and those of the large seaports along the eastern seaboard.

It was finally decided by the White House in April 1949 to place the main responsibility for obtaining favorable legislative action upon the Secretary of Commerce. Since then, the only major development has been the appointment of a 5-man subcommittee by the Senate Committee on Foreign Relations. There have been subcommittees before which have always reported favorably on the 1941 Agreement to the full committee of the Senate. This last group, however, is made up of one proponent and four Senators understood to be hostile to the Project.

Canada's attitude is that if the dual project is not approved by Congress during the next session, the need for power is such in southern Ontario that the Canadian Government will have to press for separate development of the power. The Seaway would then have to stand on its own feet. The Secretary of Commerce, with the President's support, may find some way of reversing the current trend and of obtaining passage of the necessary legislation. This Department is cooperating with Commerce to the fullest extent but it must be said that at the present writing, the prospects appear none too favorable.

2. *Delay in Implementing the Civil Air Agreement of June 4, 1949.*³ Due to what the Ambassador calls the "intransigence" of Colonial Air Lines, which has had a 20-year monopoly of the New York-Montreal route, the United States has not been able to move forward in implementing the agreement as the Canadians have. Considerable feeling has been generated as a result. The whole question of the Executive Establishment's authority to negotiate such an agreement with a foreign country in its present form, rather than as a treaty, is being attacked by Colonial through the courts with the prospect that the case will have to go as far as the Supreme Court before it is settled.

We are in the position, meanwhile, of asking the Canadians to allow our lines to continue their traffic as well as transit privileges at Gander Airport, while the Canadian Government line (T.C.A.) is unable to operate the Montreal-New York route granted to it by the agreement. There is no remedy other than to await the outcome of the courts, which may be a matter of months yet. The situation is quite awkward and Canadian irritation is not hard to understand although the Executive branch of this Government has done everything it possibly could to bring matters to a conclusion.

³ For further documentation on this subject, see pp. 406 ff.

3. *Inability of Canadians to effect Military Procurement in the U.S.* Since the passage of the Mutual Defense Assistance Act of 1949, there has been legal authority for Canada, among other countries, to make cash purchases of military equipment from and through the U.S. Military Establishment. The Canadians are not satisfied on this score, however, because the wording of the Act calls for cash in advance, because the method of computing sales values on existing stocks leaves depreciation out of account, and because the administrative machinery being set up under the Act has not yet begun to function or to give a clear explanation of its policies and procedures in regard to Canada.

Enclosure No. 1⁴ is a paper prepared by BNA on October 4, 1949 for presentation at the regular meeting of the Permanent Joint Board on Defense on October 11-12, 1949. This paper was not only presented to the Canadian Section at the Board's meeting but a copy was handed to the two counselors of the Canadian Embassy prior to the aforesaid meeting. It gives as full an explanation of the situation as was possible at that time and conditions have changed very little since then.

The Defense Board itself, acting on the contents of this paper and of the ensuing discussion, approved a formal recommendation on the subject of procurement which is attached as enclosure No. 2.⁴ This recommendation is first for approval by the Secretaries of the three Military Services and/or the Secretary of Defense. Following that, it will be submitted to the Secretary of State. If his approval is given, a submission is then made to the President. The Canadians know this. They also know from repeated conversations with Department officials that the Mutual Defense Assistance Act in regard to cash purchases was a distinct disappointment to the Executive branch of this Government and that the only remedy is for some revision at the next session of Congress, except for the administrative plan suggested by Dr. Berkner. This plan would require that equipment being produced in the U.S. be earmarked for Canadian order and the Canadians were required to sign the contracts and deposit the money only when the earmarking had been done and the delivery dates were well within sight. Mr. Willard Galbraith of Mr. Bruce's office⁵ has been designated to go into this possibility and he is doing so now.

4. *Failure of U.S. to effect Military Procurement in Canada.* The "buy-American" Act virtually prevents this legally and U.S. procurement policy has hitherto been conditioned largely by it, but even if the Act were repealed, it might not be possible to rearrange our policy within a short time to satisfy the Canadians. The reasons for this are fairly clear even though there are good long-term arguments in favor of spreading our military industrial pattern, of getting more dollars

⁴ Not printed.

⁵ Office of the Director of the Mutual Defense Assistance Program, James Bruce.

to the Canadians in this way and of helping the Canadians to maintain an appropriate military industry. Mr. Bruce's organization has also had this problem under its scrutiny. There would appear to be nothing further that could profitably be done on this subject until the Atlantic Pact mechanism has developed something tangible in terms of mutual aid.

5. *The "Buy-American" Act.* The Ambassador has cited this separately but it is really a part of his Point No. 4 discussed above. It may be said that any modification of that Act would presumably affect other countries as well as Canada. It might for that reason be more difficult to get through Congress.

6. *Recent immigration and customs incidents.* On October 31, 1949, External Affairs gave to our Embassy at Ottawa a memorandum⁶ raising this issue and listing certain recent cases which have been especially puzzling or irritating to Canadians. We received the advance copy of the transmitting airgram⁶ from Ottawa on November 4. The Canadians are asking that an early meeting of appropriate officials of the two Governments be arranged in order to explore the possibility of reaching an agreement which would "avoid regrettable border crossing incidents and unfavorable public comment in the future". We favor arranging for such a conference, even though the problems to be dealt with are at least as much matters of legislation as of administration. When one considers that U.S.-Canadian border crossings both ways have been estimated at thirty million per year, not counting entries at New York and other seaports of Canadian citizens, it will, we think, be realized that the number of troublesome cases is rather small. We are quite prepared, however, to make every effort to reduce them still further if it is possible and will be so informing the Canadians.

7. *The Newfoundland Bases.* This issue was the principal subject of the Ambassador's telegram. It can be said that the U.S. Military Services are moving on this project in what appears to be a healthy direction. A paper is going up to the Joint Chiefs of Staff today or tomorrow embodying recommendations on jurisdiction and requesting the approval and guidance of the JCS for the three military members of the U.S. Section of the Board. Progress is also being made on the questions of tax exemptions, customs exemptions and military post offices. The Canadians are being kept informed by both the Department and the Ottawa Embassy of the progress being made and their best course now would be to let us work matters out here further for the next two weeks or so. There is a good prospect that we will be able to meet with them toward the end of November or early in December on the subject of the bases.

⁶ Not printed.

DISCUSSIONS BETWEEN THE UNITED STATES AND CANADA REGARDING ADVERSE EFFECTS ON A CANADIAN AIRLINE CAUSED BY DELAYED IMPLEMENTATION OF THE AIR TRANSPORT AGREEMENT OF JUNE 4, 1949

711.4227/9-149

*The Canadian Embassy to the Department of State*¹

AIDE-MÉMOIRE

It is almost three months since the new Bilateral Air Agreement between the United States and Canada² was signed and came into effect. During that time three United States carriers have enjoyed one of the most important of the new rights granted under the Agreement, namely, a traffic stop at Gander. At the same time Canadian air lines have not yet been permitted to make use of all of the new rights granted to them under the same agreement.

This is clearly a situation which the Canadian Government cannot allow to continue indefinitely. It will be very difficult to explain in the Canadian Parliament why United States air lines are enjoying full traffic rights at Gander under the Agreement while Canadian air lines are not yet permitted to operate the new routes which the United States undertook to give under the same Agreement. For this reason, in the absence of effective United States action to implement the Agreement in this respect, the Canadian Government will find it necessary to review the whole position in respect to extending the traffic rights at Gander beyond September 30 when the present temporary permits expire. This situation is being drawn to the attention of the United States air lines by the Canadian Air Transport Board.

At the time of the negotiation of the Bilateral Air Agreement the use of Stephenville as an alternate international airport was also considered by the United States representatives as part of the same overall arrangement. Certain structural changes are now being com-

¹ Left at the Department of State by the Canadian Ambassador, Hume Wrong.

² Agreement respecting air transport services, superseding the agreement of February 17, 1945, as amended, signed at Ottawa June 4, 1949. For text, see Department of State Treaties and Other International Acts Series (TIAS) No. 1934, or 63 Stat. (pt. 3) 2489.

pleted at the base. However, for the reasons outlined above concerning Gander, this situation may also have to be reviewed.

WASHINGTON, September 1, 1949.

711.4227/9-949

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) and the Director of the Office of Transport and Communications (Radius) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] September 9, 1949.

Subject: U.S.-Canadian Air Transport Agreement

In response to the Secretary's views on the attached memorandum of September 3, 1949,¹ the following more complete details and revised recommendations are submitted.

Background:

On June 4, 1949, the U.S. signed a new air transport agreement with Canada. The agreement reaffirmed certain air routes for both countries which had been established by the earlier agreement of 1945, amended in 1947, as well as creating a number of new routes for each country.

The agreement specifically provided for qualification by any airline through established administrative procedures as a condition precedent to commencing operations, except with respect to routes for which permits had previously been granted.

With respect to only one of the new routes for Canada, an unforeseen delay may now be anticipated before Canadian service can be started. Prior to the 1949 agreement, a U.S. carrier, Colonial Airlines, had operated the route New York-Montreal without competition. The new agreement established a parallel route for a Canadian line.

Colonial Airlines has filed suit for injunction in the Federal Court against the members of the CAB individually, seeking to enjoin them from proceeding with the hearing on Trans Canada's application for a foreign air carrier permit for the Montreal-New York route estab-

¹Memorandum by Joseph J. Wolf, Assistant Chief of the Aviation Division, to the Secretary of State, and handwritten, undated comment on the memorandum by the Secretary, neither printed (711.4227/9-949). In this earlier memorandum, Wolf provided a less detailed background summary than that which follows, and then presented a list of six "recommendations", three of which pertained to the manner in which the action threatened in the Canadian *aide-mémoire* of September 1 might prejudice a just conclusion of the judicial review presently delaying the Agreement's implementation, slow the process of granting a permit to the affected Canadian airline, and endanger both the Agreement and other relations between the two Governments. Secretary of State Acheson commented that these three paragraphs, in particular, seemed high handed, arbitrary and unreasonable to him, appearing to require performance by the Canadians on their part of the Agreement while the United States was trying and failing to carry out its part of the Agreement.

lished by the agreement. On motion for preliminary injunction, a decree was entered by the District Judge enjoining the defendants from forwarding their recommendations to the President, but authorizing them to hold hearings pending determination of the substantive issues by the statutory three-judge court. The principal issue is the constitutionality and effect of the power of the President to enter into executive agreements in the field of air transport. The legal staff of the Department is cooperating with the legal staff of the CAB in preparing the defense of the case.

Colonial's complaint has been given serious consideration by certain members of Congress. The Senate Committee on Interstate and Foreign Commerce has received testimony from the Chairman of the CAB, the Chairman of the U.S. Delegation and the Deputy Director of the Department's Office of Transport and Communications. Thereafter, the same Committee favorably reported out S.12, a bill requiring all such aviation agreements to be negotiated as treaties. No vote has been taken on the bill in the Senate.

In addition, forty-nine senators presented a letter to the President asking him to refrain from implementing the agreement. We are advised that the President stated he was familiar with the agreement, that he was satisfied it was a good agreement, that he did not intend to refrain from implementing it, and that he did not intend to reply to the Senator's letter. The attitude of the Senate toward the agreement at the present still cannot be termed favorable.

Canada has indicated that the delay with regard to the one Canadian route involved in the Colonial case may cause Canada to question the extension of rights of U.S. airlines at Gander called for by the agreement. The U.S. airlines had interim traffic rights at Gander from Newfoundland, which Canada terminated on the union of Newfoundland with Canada.² Canada later granted interim rights at Gander to the U.S. lines, pending negotiation of the 1949 agreement. These permits expire September 30, 1949.

On September 2, the Canadian Ambassador left the attached *aide-mémoire*³ with Mr. Rusk,⁴ which states that "in the absence of effective U.S. action to implement the agreement" with respect to permitting Canadian lines "to operate the new routes", Canada "will find it necessary to review the whole position with respect to extending the traffic rights at Gander beyond September 30 when the present temporary permits expire." It is also stated that the situation at Stephenville

² Newfoundland formally entered the Dominion as Canada's tenth province on March 31, 1949.

³ *Supra*.

⁴ Dean Rusk, Deputy Under Secretary of State.

(established by the agreement as an operational alternate for Gander) may also have to be reviewed.

The attitude of the Canadian Ambassador on delivering this *aide-mémoire* indicates a possibility that it may perhaps have been only a formal gesture for the record, but this is not certain.

The Canadian Agreement encompasses the exchange of so many routes that it is clearly not possible to say that rights at Gander balance rights on the Montreal-New York route. The agreement was intended to deal with an exchange of routes *in toto*, rather than on a separable basis.

Unfavorable action by Canada with respect to extending traffic rights at Gander would go to the essence of the consideration which led the U.S. into this agreement, would probably evoke strong reaction by industry and Congress to reconsider the whole agreement, and would lend comfort to those who oppose the use of executive agreements.

Applications of certain other U.S. airlines to start service over other routes established by the agreement are still pending in Canada. The U.S. does not at this time contemplate complaining because of normal or unavoidable delays in the absence of any indication that the Canadian Government is not doing all that it can to implement the agreement. As the U.S. Government is doing all that it can to implement the agreement, a similar attitude on Canada's part would appear to be indicated.

Recommendations:

It is recommended that you informally mention the *aide-mémoire* to Mr. Pearson,⁵ and state that you hope he appreciates that this Government is taking every possible "effective U.S. action to implement the agreement". He should be further advised that, however, certain unavoidable delays with respect to one part only of the agreement are occurring by reason of (a) administrative procedures contemplated by the agreement and (b) unavoidable delays incident to the judicial process which this Government is powerless to shorten, although it is taking a firm position in the Colonial case.

You might then express to Mr. Pearson that you hope that we can assume that Canada will not take any action which would result in the impairment of U.S. rights at Gander or Stephenville,⁶ in view of the inherent peril to the whole agreement involved therein.

It is suggested that this approach be most informal, and be supported with the argument that a few months delay should not be the

⁵ Lester B. Pearson, Canadian Secretary of State for External Affairs.

⁶ See information on agreement concerning these two military air bases in Newfoundland, p. 417.

cause of jeopardizing the long-term pattern established by the agreement.

711.4227/9-1049

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL

[WASHINGTON,] September 10, 1949.

At luncheon alone with Ambassador Wrong and Mr. Pearson I mentioned Mr. Wrong's note ¹ which suggested that, in view of the action taken by the Colonial Airlines in enjoining consideration of the Canadian Company's application for a route, the Canadian Government might have to reconsider rights at Gander and elsewhere. I said that I hoped that the note was meant to register the great importance which the Canadian Government attached to the use of all the energies of this Government to sustain our position in the courts and to get forward with the execution of the agreement, and that it did not mean that the Canadian Government was going to take retaliatory measures because some litigant had tied up the Executive Branch here. The latter course could not possibly accomplish any good and might lead to somebody's dragging red herrings around by charging that the Canadian Government was attempting to prevent calm, judicial consideration of the case. I also pointed out that certain articles appearing in the *New York Times* were having the effect of keeping this matter stirred up.

Mr. Pearson inquired whether the Department of State and the Department of Justice were going to participate in the litigation to sustain the Government's point of view and asked whether, in my opinion, this litigation might drag on for several years. I said that both departments were cooperating earnestly in trying to press the litigation to a quick and successful conclusion, and, if the temporary injunction were lifted, it was my understanding that the CAB would press forward vigorously with its proceedings.

This seemed to reassure Mr. Pearson and he told me that no precipitant action would be taken. I got the impression that this note was something which Mr. Pearson had originated and that we could deal with him successfully in regard to it.

I also mentioned the matter of the Newfoundland bases, telling him that we were trying to work the thing out in a satisfactory way with the NME and that our idea was that when we got our own governmental position in satisfactory shape to work the matter out with the Canadians through the Permanent Joint Defense Board. I gathered

¹ *Aide-Mémoire*, September 1, 1949, p. 406.

that this was a satisfactory statement to him, and that the Canadians would proceed along these lines with us.

D[EAN] A[CHESON]

711.4227/12-549 : Telegram

The Secretary of State to the Embassy in Canada

PRIORITY

WASHINGTON, December 5, 1949—7 p. m.

NIGHT LETTER

180. Re tel conversations and Can Air Transport Board Order No. 530 to Colonial Airlines Emb should send note to Min External Affairs in substance as follows :

Order No. 530 of Air Transport Board, issued December 1, 1949, after referring to Air Transport Agreement between Government of United States and Government of Canada which came into force on February 19, 1945, the amendment thereto which became effective April 12, 1947, and Air Transport Agreement between the two governments which became effective on June 4, 1949, alleges that the United States air carrier, Colonial Airlines, Inc., has by its acts prevented the granting of operating authority to Trans-Canada Air Lines to enable it to exercise privileges on the route from Montreal to New York. Therefore the order requires Colonial Airlines to appear before the Board on December 12, 1949 to show cause why its license No. ATB 9-46N should not be suspended.

Inasmuch as Government of United States does not believe any provision of Air Transport Agreement of 1949 contemplates suspension of a license, provided for under that agreement, for reasons given in Order No. 530, there appears to exist a difference between the two governments with regard to interpretation of certain sections of the Agreement. In this regard reference is made to statements made in Order No. 530 that indicate a belief on part of Government of Canada that Section V of Annex of the air transport agreement has not been observed. Section V provides that there shall be fair and equal opportunity for airlines of contracting parties to operate between their respective territories the international air services covered by the Agreement. The Government of the United States believes that any action by the Government of Canada as a result of a failure of the United States to provide the opportunity contemplated by Section V should be taken after consultation with this Government. At same time Government of United States believes that there has been no violation of this Section. Section V is qualified by rest of Agreement, including Article 3 which contains proviso that the airline or airlines designated to serve the routes provided for in the Agreement "may be required to

qualify before the competent aeronautical authorities of the contracting party granting the rights under the laws and regulations normally applied by those authorities before being permitted to engage in the operations contemplated by this Agreement." Inasmuch as Trans-Canada Air Lines has made application to the Civil Aeronautics Board of the United States for a foreign air carrier permit and has been receiving a hearing in accordance with the laws and regulations normally applied by the Civil Aeronautics Board and inasmuch as that hearing has not yet been completed, notwithstanding the efforts of the Civil Aeronautics Board to conduct such hearing as expeditiously as possible, Trans-Canada has not, in the view of the United States, been denied the fair and equal opportunity contemplated in Section V of the Annex, although the procedural steps required in connection with qualification under Article 3 of the Agreement have not yet been concluded.

The Order states that Colonial Airlines has by its actions in the courts of the United States prevented the granting of the operating authority required to enable Trans-Canada Air Lines to "exercise its privileges under the said Agreement." While it is agreed that the Agreement grants the route applied for by Trans-Canada Air Lines to the Government of Canada, it is not agreed that the Agreement grants the privilege of exercising that right to any specific carrier. Trans-Canada Air Lines can therefore have no privilege to operate the route until it has completed the steps necessary for qualification before the competent aeronautical authorities of the United States as provided by Article 3 as above noted.

Colonial Airlines in bringing an action before the courts of the United States to determine the validity of the Air Transport Agreement of June 1949 between the United States and Canada and the constitutionality of certain sections of the United States Civil Aeronautics Act of 1938 is exercising a right which it has under the laws and Constitution of the United States. It is believed that the Canadian Government, which shares with the United States a common heritage of similar basic laws, can appreciate the right of this citizen of the United States thus to defend in the courts rights which it believes have been threatened. It is also believed that the Canadian Government understands the legal procedures of the courts of the United States and will agree with the United States Government that neither the procedures of the courts nor the right of a citizen to invoke such procedures should be challenged. At the same time the Government of the United States wishes to assure the Government of Canada that in connection with the legal actions which have been brought by Colonial Airlines the Government of the United States is taking every

step legally available to it to ensure that the prosecution of the case is as expeditious as possible.

While the Canadian Government no doubt recognizes the right of a United States citizen to appeal to the United States courts and while it should be recognized that the bilateral Air Transport Agreement between the United States and Canada is subject to such laws and constitutional provisions as are applicable to bringing of such actions in courts of United States, nevertheless the Government of the United States understands the desire of Government of Canada to see full implementation of all portions of the bilateral Air Transport Agreement accomplished as quickly as possible. If the Government of Canada believes that there has in fact been undue delay in this implementation, the Government of the United States believes that the Government of Canada should approach this Government and not take action against a citizen of the United States. Therefore, the Government of the United States will welcome an opportunity to discuss these matters with representatives of the Canadian Government.

In connection with the court action that has been taken in relation to these matters it should be pointed out that although the Civil Aeronautics Board has been enjoined from issuing a recommendation to the President of the United States with regard to the application of Trans-Canada Air Lines to operate the route between Montreal and New York, such injunction has not in practical effect prevented the Civil Aeronautics Board from proceeding with its hearing in regard to the application. As has been noted above such hearing has proceeded as expeditiously as possible. The Board could not in any event formulate its recommendations and forward them to the President before completion of the hearing procedure.

In Order No. 530 it is stated that it would appear to be inequitable to permit Colonial Airlines to continue to enjoy the privileges granted to it by License No. ATB 9-46N while at the same time Trans-Canada Air Lines has been prevented from "enjoying the privileges to which it is equally entitled under the same agreement." In view of the fact that Trans-Canada Air Lines is being given full opportunity to qualify under the normal laws and regulations of the United States in accordance with Article 3 of the Air Transport Agreement of June 4, 1949 and in view of the provisions of Article 9 of that Agreement which state that existing rights and privileges relating to air transport services which may have been granted previously by either of the contracting parties to an airline of the other contracting party shall continue in force in accordance with the terms under which such rights and privileges were granted, this Government cannot agree with the statement of the Air Transport Board that it would

appear to be inequitable to permit Colonial Airlines to continue to enjoy the privileges granted to it by license No. ATB 9-46N. In addition, in view of the statements made above with regard to the proceedings now pending before the Civil Aeronautics Board and the application of the laws of the United States to matters included in the bilateral Air Transport Agreement, this Government cannot agree with the conclusion of the Air Transport Board that the actions of the Colonial Airlines "have prevented and continue to prevent Trans-Canada Air Lines from enjoying the privileges to which it is equally entitled under the same Agreement."

In view of the apparent differences between the Government of the United States and the Government of Canada in interpreting the Air Transport Agreement, it is requested that arrangements be made for consultation between the representatives of the two governments in order to compose these differences. The Government of the United States hopes that the Government of Canada may find it possible, pending the conclusion of such consultation, to avoid taking action to suspend the license of Colonial Airlines which this Government believes would be inconsistent with the terms of the Agreement.¹

In presenting above note Emb should also advise Cand Govt that we feel substance of note must be made public immediately and request comment.

ACHESON

¹ The Ambassador in Canada, Laurence A. Steinhardt, transcribed the above message in the form of Note No. 294 dated December 6, 1949, and handed it to Secretary of State for External Affairs Lester Pearson on that date. In his telegram 822, December 7, not printed, Steinhardt described his conversation on that occasion. He informed the Department that Pearson, though amenable to the suggestion of inter-governmental consultation before taking any action on suspending the license of Colonial Airlines, wished to study the note and discuss it with the Prime Minister, Louis St. Laurent, before committing himself on the timing of such talks (711.4227/12-749).

711.4227/12-1049 : Telegram

The Ambassador in Canada (Steinhardt) to the Secretary of State

NIACT PRIORITY

OTTAWA, December 10, 1949.

187. For Vass.¹ Following full text from External today.

"1. I have the honour to refer to your note Number 294 of December 6,² in which you advise me that your government had requested you to bring to the Canadian Government's attention order Number 530 of the Air Transport Board issued to Colonial Airlines Decem-

¹ Laurence C. Vass, Assistant Chief of the Technical Assistance Branch, Aviation Division.

² See footnote 1 to document *supra*.

ber 1, 1949. In this note you indicated that your government felt that the above mentioned order was not in accordance with the Air Transport Agreement between the United States and Canada which became effective on June 4, 1949, and that there appeared to exist a difference between the two governments with regard to the interpretation of certain sections of this agreement.

2. I regret that difference between the two governments in regard to the interpretation of sections of the agreement should have become apparent only at this time, and I am not convinced that these differences are substantial. Nor can I agree that, in the case of administrative advice which may be undertaken by the licensing agency in either country, prior consultation between our two governments would be necessary or practicable. Where a carrier is in default in Canada under Canadian law, the appropriate Canadian authorities must be in a position to exercise effectively the powers granted to them by Canadian law. Nevertheless, in view of the friendly and cooperative spirit in which relations between our two governments are conducted in this as in other matters, my government is prepared to engage in the consultations proposed in your note.

3. During these proposed discussions the Canadian representatives will indicate in detail the attitude of the Canadian Government concerning the matters covered in your note Number 294. I should point out however, that there are certain statements of substance in the note with which the Canadian Government is not able to agree.

4. Your note states that there appears to exist a difference between our two governments with regard to interpretation of certain sections of the agreement and that no provision of the Air Transport Agreement of 1949 contemplates suspension of a license for reasons given in the order sent to Colonial Airlines. You also state that your government holds the view that any action taken by the government of Canada should be directed against the United States Government and not against a citizen of the United States. In this connection, I should point out that the Air Transport Board is empowered by statute to suspend licenses either on grounds of public convenience and necessity or on grounds of violation of a condition of a license. Further, the license granted to Colonial Airlines provides that "This license should be subject to all applicable provisions of any treaty convention or agreement affecting international air transport to which the United States and Canada shall be parties, now in effect or that may become effective during the period this license remains in effect." These are matters which the Air Transport Board is entitled to explore and proposes to explore directly with the carrier concerned.

5. In your note you refer to Article 9 of the agreement which states that existing rights and privileges relating to air transport services which may have been granted previously by either of the contracting parties to an airline of the other contracting party shall continue in force in accordance with the terms under which such rights and privileges were granted. I should again draw your attention to the provision of the license granted to Colonial Airlines by which the license itself is made subject to all applicable provisions of any effective treaty, convention or agreement affecting international air transport between the United States and Canada. This provision of the license

clearly indicates that Colonial Airlines must abide by the terms and the spirit of the air transport agreement signed between our two governments on June 4, 1949.

6. The Canadian Government fully appreciates that the United States authorities have proceeded in good faith in relation to the Air Transport Agreement. It considers, however, that Colonial Airlines, by its actions in refusing to recognize the validity of the agreement in the United States, whilst continuing to do business in Canada under a license issued by the Air Transport Board which is conditional upon the observance of this agreement, has adopted a position which is inconsistent with the condition of the aforementioned license. Order 530 delivered to Colonial Airlines on December 1, 1949, notified them that they are liable to appear before the Air Transport Board to produce evidence to the contrary.

7. In view of the situation explained in Paragraph 5 above, the Canadian Government would not wish to interfere at this time with the administrative action undertaken by the Air Transport Board in connection with the proposed hearing outlined in Order 530. The Board, before reaching a decision, will have to study the evidence produced during the hearing which will open on December 12. If the discussions proposed by your government are undertaken in the immediate future, it is unlikely that any decision could be handed down by the Air Transport Board in advance of these discussions.

Accept, et cetera."

Meeting Thursday 15th afternoon confirmed orally.

STEINHARDT

Editorial Note

Discussions were held at Ottawa December 15-21, 1949, and January 10-13, 1950. A press release issued by the Department of State, January 13, 1950, described their outcome. The United States representatives agreed that, until this Government was in a position to grant authority to a Canadian airline to operate between Montreal and New York, the United States would not press its claim to operate two of the new routes granted to it under the 1949 agreement; and they pointed out that the United States Government had arranged for an early hearing of Colonial Airlines' appeal by the U.S. Supreme Court. In a separate announcement January 13, the Canadian Air Transport Board stated that it was withholding action with respect to Colonial Airlines. On February 6, Colonial Airlines filed a motion in the Supreme Court to dismiss its appeal. On June 2, 1950, the Canadian Air Transport Board informed Colonial Airlines that it considered the case closed (911.5242/6-1350).

AGREEMENTS BETWEEN THE UNITED STATES AND CANADA

AGREEMENT BETWEEN THE UNITED STATES AND CANADA RESPECTING AIR SEARCH AND RESCUE OPERATIONS

[For text of Agreement, effected by exchange of notes signed at Washington January 24 and 31, 1949, see Department of State, Treaties and Other International Acts Series (TIAS) No. 1882, or 63 Stat. (pt. 3) 2328.]

AGREEMENT BETWEEN THE UNITED STATES AND CANADA RE- SPECTING THE SETTLEMENT OF CERTAIN WAR ACCOUNTS AND CLAIMS

[For text of Agreement, effected by exchange of notes signed at Washington March 14, 1949, see Department of State, Treaties and Other International Acts Series (TIAS) No. 1925, or 63 Stat. (pt. 3) 2432.]

AGREEMENT BETWEEN THE UNITED STATES AND CANADA RESPECT- ING THE USE BY CIVIL AIRCRAFT OF STEPHENVILLE AND ARGENTIA MILITARY AIR BASES IN NEWFOUNDLAND

[For text of Agreement, effected by exchange of notes signed at Ottawa June 4, 1949, see Department of State, Treaties and Other International Acts Series (TIAS) No. 1933, or 63 Stat. (pt. 3) 2486.]

AGREEMENT BETWEEN THE UNITED STATES AND CANADA RESPECTING DEFENSE INSTALLATIONS AND EQUIPMENT

[For text of Agreement, effected by exchange of notes signed at Ottawa June 17 and 18, 1949, see Department of State, Treaties and Other International Acts Series (TIAS) No. 2352.]

THE AMERICAN REPUBLICS

ACTION TAKEN BY THE UNITED STATES ON AGREEMENTS CONCLUDED AT THE NINTH INTERNATIONAL CONFERENCE OF AMERICAN STATES, HELD AT BOGOTÁ, COLOMBIA, MARCH 30–MAY 2, 1948

I. PROGRESS TOWARD RATIFICATION BY THE UNITED STATES OF THE CHARTER OF THE ORGANIZATION OF AMERICAN STATES

Editorial Note

Documentation relating to the Ninth International Conference of American States, held at Bogotá, Colombia, March 30–May 2, 1948, at which the United States plenipotentiaries signed the Charter of the Organization of American States, is contained in *Foreign Relations*, 1948, volume IX. Printed therein is the letter, dated December 31, 1948, from Acting Secretary of State Robert Lovett to President Truman recommending transmittal of the Charter to the Senate for the advice and consent of that body to ratification. For the text of a statement by Secretary of State Dean Acheson on February 2, 1949, on the occasion of the referral of the Charter to the Senate Committee on Foreign Relations, see Department of State *Bulletin*, February 6, 1949, page 198. The Senate gave its advice and consent to ratification on August 28, 1950, subject to a reservation. President Truman ratified the Charter, subject to the reservation, on June 15, 1951, and it entered into force for the United States on December 13, 1951. The text is printed at TIAS No. 2361 in *United States Treaties and Other International Agreements* (UST), volume 2 (part 2), page 2394.

II. UNWILLINGNESS OF THE UNITED STATES TO RATIFY THE AMERICAN TREATY ON PACIFIC SETTLEMENT (PACT OF BOGOTÁ)

710.J/1–1249

The Secretary of State to the Diplomatic Missions in the American Republics

CONFIDENTIAL

WASHINGTON, January 12, 1949.

SIRS: There is enclosed for your information and background a copy of a memorandum, recently given Departmental approval, rec-

ommending that the "American Treaty on Pacific Settlement" (Pact of Bogotá)¹ should not be submitted at this time for ratification by this Government. The reasons supporting this decision are set forth in the memorandum.

In the event that you receive inquiries concerning this Government's attitude with respect to the Treaty, you should say that the Executive Branch of the Government has not yet decided whether to submit the Treaty to the Senate for ratification in the immediate future. You may point out that certain features of the Treaty made it necessary for this Government at the time it was signed to enter four reservations of far-reaching effect;² that we could not abandon those reservations as the Treaty presently stands; and that, on the other hand, we are reluctant to ratify such an important document with reservations which go to the essence of certain of its principal provisions.

Very truly yours,

For the Secretary of State:

PAUL C. DANIELS

*Director for American
Republic Affairs*

[Enclosure]

CONFIDENTIAL

NOVEMBER 22, 1948.

RATIFICATION BY THE UNITED STATES OF THE "PACT OF BOGOTA"

PROBLEM

The question is whether the United States should ratify the "American Treaty on Pacific Settlement" (Pact of Bogotá), and particularly whether it should be submitted to Congress for advice and consent to ratification.

RECOMMENDATIONS

1. It is recommended that the Treaty should not be submitted for advice and consent.

2. However if a substantial number of the American republics ratify the Treaty, the question of United States ratification should be reconsidered.

¹Text in *Ninth International Conference of American States, Bogotá, Colombia, March 30-May 2, 1948: Report of the Delegation of the United States of America With Related Documents* (Department of State Publication No. 3263, November 1948), p. 186, and in *Annals of the Organization of American States*, 1949, p. 91.

²Text in *ibid.*, p. 97.

DISCUSSION

1. *First Recommendation*

The above recommendation is based on reasons falling into two categories, first, those of a general character and, second, those based on an analysis of the Treaty itself.

General Objections

1. The specific objections to the Treaty itself, to be referred to later, taken in combination, give the Treaty an over-all character at variance from our concept of sound procedures of pacific settlement. The mere provisions of certain unacceptable procedures are not the basic reason for not wishing to submit the Treaty, but rather the unorthodox and, it is believed, improper manner in which they are set forth and related to each other. While parts of the Treaty, especially the first two chapters, can be taken as a fair restatement of principles and procedures previously established in the Inter-American System this is not the case with the Treaty taken as a whole. In addition there is a considerable amount of bad drafting and unnecessary complexities. The over-all result is a document so unsatisfactory that it is not believed that the Department or the Executive Branch should sponsor it.

2. It is possible that in due course a more satisfactory treaty can be agreed to by the American States. However, widespread ratification of the present Treaty would probably prejudice such a development. Ratification by the United States would encourage ratification by other countries.

3. The United States Delegation at Bogotá found it necessary to reserve on four points when signing the Treaty. Three of these reservations make the Treaty inoperative with respect to this Government on points essential to its main purpose. While the Delegation probably did all that was necessary to protect this Government's position, the Senate would quite possibly find other points on which it desired to make additional reservations. Considering that this Treaty is one of the first acts of the reconstituted Inter-American System, it appears preferable not to ratify it rather than to enter into it with numerous reservations resulting in making the Treaty largely without force as to its most important elements.

4. The considerations last mentioned concerning reservations would damage the Department's case for the Charter of the Organization of the American States which will be submitted at the same time and to which we desire to give our full support.

Substantive Objections to Treaty

1. The most important feature of the Treaty is unacceptable to the United States. This is the provision of a general obligation to submit to

arbitration or judicial settlement all disputes, legal or non-legal, with automatic procedures provided for the compulsory arbitration of disputes not susceptible of judicial determination. The United States has accepted the obligation to refer legal questions to the International Court of Justice and in fact advocated the general acceptance of such an obligation in this Treaty. However, the additional obligation to submit to arbitration disputes based on grounds other than law is one which the United States is not willing to accept. The provisions of this Treaty would result in the possibility that claims for the alteration of existing law (i.e. boundaries, treaties, etc.) could be taken by the claimant state before *ad hoc* tribunals the composition of which would not be known in advance. The United States has a consistent policy favoring the submission to adjudication of disputes involving the interpretation of existing law, but believes that questions regarding necessary changes in such law should be determined case by case by appropriate measures. Such measures might include arbitration, but this should be decided in the light of the individual case. We could not undertake such a blanket commitment as is here envisaged. For this reason the Delegation interposed a reservation that any obligation to arbitrate, as distinguished from judicial settlement, shall be dependent upon the conclusion of a special agreement between the parties to the case.

Furthermore as a practical matter there are disputes which it is better not to force to settlement. The conceptual approach that every dispute must have its settlement is unsound.

2. The Treaty contemplates an improper utilization of the International Court of Justice. The procedure by which the compulsory arbitration provisions just referred to may be invoked under this Treaty contemplates that the parties shall first attempt conciliation and, if this is not successful, either of them shall be entitled to refer the matter to the International Court of Justice. If the Court determines that the matter is not proper for judicial settlement, the matter may be submitted to the arbitral procedure on the motion of either party. This procedure assumes to confer upon the parties the right to refer to the International Court of Justice any dispute whether properly within its jurisdiction or not. In fact such a procedure is necessary if the arbitration clauses are to be invoked. While it is possible under the Statute of the Court to place any matter before it, the Court's jurisdiction is normally limited to questions of law. Consequently it is improper for states to adopt such provisions as those of the present Treaty contemplating that states should deliberately take to the Court matters which they do not consider to be properly within the Court's jurisdiction. It is a procedural device intended to separate those cases which are justiciable from those which are not, but the device is one which indicates a lack of respect for the proper role and

functioning of the Court. The United States Delegation therefore interposed a reservation to the effect that it would not undertake as plaintiff to submit to the Court any controversy which it does not consider to be properly within the Court's jurisdiction.

3. The Treaty contains a provision obligating the parties to accept the jurisdiction of the Court in legal cases. The United States advocated such a provision. However, the article as adopted makes no provision for any reservation or limitation on the jurisdiction thus granted, despite the fact that practically all countries accepting the Court's jurisdiction by declaration pursuant to Article 36(2) of the Statute³ have made some reservations. Accordingly the United States Delegation interposed a reservation to the effect that its acceptance of jurisdiction would be limited by such reservations as contained in any declaration interposed by it under Article 36 of the Statute of the Court.

4. Although the language of the Treaty is not completely clear, it may be interpreted as binding a party to compulsory conciliation at the initiative of any other party. There appears to be a clear obligation on the parties to take steps which would result in the creation of a commission for the consideration of any case. A refusal to take such steps would be a breach of the Treaty and there would presumably be a moral obligation to cooperate in the conciliation procedure and to give due regard to any resulting recommendations. While we have other Inter-American treaties of conciliation, their operation is limited to controversies which it may not have been possible to settle through normal diplomatic channels. The absence of such a qualification in the present Treaty results in making it somewhat more binding both in a legal and moral sense. The acceptance by this Government of compulsory conciliation might be considered a reasonable step in advance in the general direction of improved political cooperation among states. However, the decision to take this step has not yet been made and it is not believed that it should be made by means of an Inter-American Treaty providing for commissions whose membership would naturally tend to be predominately of Latin American nationality.

5. The foregoing are the principal points on which the Treaty is found objectionable. It may well be that these procedures are formulated in such a way that the likelihood of their being used effectively, especially to the conclusion of a compulsory legally binding arbitral decision, are rather remote. The various procedures are related to each other in an unorthodox and complex manner giving the Treaty the appearance of a theoretical exercise rather than a practical ap-

³Text in *A Decade of American Foreign Policy: Basic Documents, 1941-49* (Senate Document No. 123, 81st Congress, 1st Session), p. 140.

proach to the solution of international problems. On the other hand there is the possibility that the Treaty might be invoked in a manner distasteful or unacceptable to this Government. This combination of factors appears to make it preferable not to submit the Treaty for ratification.

6. It is not believed necessary to deal with other objectionable aspects, but it may be mentioned that the Latin American delegates finally succeeded, after unsuccessful efforts elsewhere, in bringing into this Treaty (Art. VII), a provision which would greatly limit the international right of diplomatic protection. This article was also the subject of a reservation interposed by the United States Delegation.

2. *Second Recommendation*

The second recommendation indicates that if, in due course a number of American Republics ratify the treaty the question of United States ratification should be reconsidered. Among the considerations that might lead to a future change of position in the contingency noted is that the United States might prefer to ratify with such reservations as might be necessary, rather than to perpetuate in existence a series of treaties which had for a substantial number of countries been replaced by the single treaty.

Editorial Note

The American Treaty on Pacific Settlement (Pact of Bogotá) was not sent to the Senate for advice and consent to ratification and so did not enter into force for the United States. It was ratified by Mexico on November 23, 1948, and by Costa Rica on May 6, 1949, and was subsequently ratified by a number of other countries for whom it thus entered into force.

III. UNWILLINGNESS OF THE UNITED STATES TO RATIFY THE ECONOMIC AGREEMENT OF BOGOTÁ; POSTPONEMENT OF THE BUENOS AIRES ECONOMIC CONFERENCE

710.J/3-749

The Secretary of State to the Diplomatic Missions in the American Republics

RESTRICTED

WASHINGTON, March 7, 1949.

SIRS: At the time of signature of the Economic Agreement of Bogotá at the Ninth International Conference of American States,¹

¹ Text in USDel Report, p. 201, and in *Annals*, 1949, p. 99.

a number of the governments, including the United States, entered reservations.² Due to conditions in Bogotá at that time resulting in pressure to terminate the Conference as quickly as possible, there was no opportunity for discussions between various delegations which might have made it possible to eliminate some, if not all, of the reservations. Those reservations have subsequently proved to be an important obstacle to obtaining ratification of the Agreement (only Costa Rica has ratified), and as far as the United States is concerned it is not the intention of the Department to submit the Agreement to the Senate unless and until the problem of the reservations has been satisfactorily settled.

In June 1948 the Department transmitted to the missions in the other American republics a report on the economic discussions at the Bogotá Conference,³ which set forth in some detail the background of the reservations entered by various governments.

Subsequently, on June 25, the United States Representative on the Inter-American Economic and Social Council presented a statement to the Council indicating the unlikelihood of ratification or entry into force of the Economic Agreement unless the problem of the reservations were solved, and proposing that the Council undertake to find a solution which could be recommended to the governments. A special committee of the Council was appointed to act upon the United States proposal, a general procedure for handling the problem was agreed upon, the governments which had entered reservations were requested to express their views as to their possible withdrawal, discussions in the special committee proceeded intermittently over several months, and there has now emerged from the committee and been approved by the Council for transmission to the governments, a Draft of Additional Protocol³ to the Economic Agreement of Bogotá.

This Draft Protocol, copies of which in English and Spanish together with a copy of the covering report of the special committee³ are enclosed, is to be studied by all of the American governments, whether or not they entered reservations to the Economic Agreement, and their comments on the draft are to be submitted to the Inter-American Economic and Social Council which, through the special committee, will then proceed with whatever redrafting of the proposed Additional Protocol may be necessary in the light of those comments. It is hoped that it will have been possible at that stage to have reached general agreement on a text which the governments would be prepared to sign at the time of the Inter-American Economic Conference, or alternatively by the representatives of the governments on the Eco-

² Text in *Annals*, 1949, p. 105.

³ Not printed.

conomic and Social Council who would have been provided with full powers for the purpose.

Turning to the substance of the proposed Additional Protocol, the Preamble and Chapter I and Chapter III would appear to be self-explanatory. The various articles under Chapter II are to be read in the light of the articles of the Economic Agreement to which they refer, and in the light of the reservations which they would replace. It will be seen that in place of the reservations, the Additional Protocol would in reality consist of a series of interpretative notes to which all signatories would agree, somewhat similar in arrangement to the interpretative notes appended to the Charter for an International Trade Organization signed at Habana.⁴

It will be noted also, from the report accompanying the Draft Protocol, that there are certain governments which have failed to inform the Inter-American Economic and Social Council whether they are prepared to withdraw their reservations unconditionally (i.e. without substituting therefor an article in the Protocol), or whether they would be willing to withdraw their reservations only if there were substituted corresponding articles in the Protocol, and if the latter, the terms of such articles. Although it was recognized in the Inter-American Economic and Social Council that work on the Protocol could not be completed without knowing the views of those governments, it was felt desirable to transmit the Draft even in its present incomplete form without waiting any longer to hear from additional governments, and in fact hoping by this to induce such governments to express their views.

The missions will further note from the report accompanying the Draft Protocol, that the latter does not purport at this stage to reflect the official views of the governments, but only the personal views of their representatives on the Inter-American Economic and Social Council.

The Draft Protocol and covering report were approved for transmission to the governments at a meeting of the Economic and Social Council on February 14. After allowing a reasonable time for the individual representatives on the Council to send the documents to their governments, together with any personal comments which they may add, it is requested that the appropriate officer at each mission find a convenient early opportunity to discuss this matter with either the Foreign Minister or with a ranking official under him, along the following general lines:

After reviewing the importance which the United States Government attaches to strengthening the machinery for effective inter-American economic cooperation, reference might be made to the circumstances affecting the Economic Agreement of Bogotá and the

⁴ Documentation on the Habana Conference is scheduled for publication in *Foreign Relations*, 1948, volume I.

reservations to it, which are summarized in the first three paragraphs of this instruction, and the desire of the United States in common with the other American governments to find a solution to the reservations problem so as to make possible the eventual ratification and entry into force of the Agreement.

It is the hope of the United States through the cooperation of all the governments, both by the attitude adopted toward the problem of the reservations and by promptly transmitting instructions to their representatives on the Inter-American Economic and Social Council, that it may soon be possible for the Council to produce a final draft of protocol acceptable to all of the American nations, ready for signature at the Buenos Aires Economic Conference (now to be held sometime in the second half of 1949) or in Washington at an earlier date by the representatives on the Council provided with full powers for the purpose (precedents for this—the signature of the Inter-American Bank Convention and the Inter-American Coffee Agreement⁵). It may be added as the opinion of the United States Government that if *before* the Buenos Aires Conference all the American governments have not reached substantial understanding on the Protocol as a substitute for all reservations to the Economic Agreement, it would be unwise to hold the Conference—if the American governments were to reveal before the world that they had been unable to reach agreement on this problem affecting the basic inter-American economic instrument, the effects would be very serious. It is therefore essential that a full agreement be reached, through the representatives of each government on the Inter-American Economic and Social Council, prior to the Conference, so as not to leave to the usual haste and confusion of such a meeting the attempt to reach an agreement in substance which could not be reached previously. (These last statements have particular reference to one or two governments which have expressed the view that the settlement of the reservations problem could be left for the Conference itself).

In view of the foregoing, it is the hope of the United States that the other governments will give prompt and sympathetic consideration to this problem and send instructions at an early date to their representatives on the Economic and Social Council.

This instruction does not attempt to provide a basis upon which the missions might discuss the substance of the problems raised by the reservations, a possible solution of which is presented in the articles in Chapter II of the Draft Protocol. Discussion of some of these points has required many meetings in Washington and it would appear neither practicable nor desirable to ask the individual missions to undertake these discussions.

It will be appreciated if the missions will report the results of any conversations held in response to this instruction.

Very truly yours,

For the Secretary of State:
WILLARD L. THORP
*Assistant Secretary [of State
for Economic Affairs]*

⁵ See *Annals*, 1949, pp. 119, 151, 171, and 315.

810.50 Buenos Aires/8-1649 : Circular airgram

The Secretary of State to the Diplomatic Missions in the American Republics, Except Bolivia

CONFIDENTIAL

WASHINGTON, August 16, 1949—9:25 a. m.

The following exchange of telegrams between Embassy La Paz and the Department may be of interest, particularly in the event that Colombian missions in countries other than Bolivia are also being instructed to endeavor to gain support for early holding of Buenos Aires Economic Conference :

"451, August 11, 1949, from La Paz

"Subsecretary Foreign Office called me in this p. m. to ask if I would communicate with Department obtain its views re holding inter-American economic conference Buenos Aires before end this year. Alvarado told me he was making this request because he has been approached by Colombian Minister here, who said Colombian Government wished conference be held and it is supported this desire by Mexican and other governments.

"Alvarado said did not wish to give Bolivians' answer until after consulting US Government and had put off answering Colombian Minister saying he would have to take matter up with new Foreign Minister taking office this weekend. However, he has to reply on Monday August 15 whether Bolivia will or will not support Colombian proposal. He would therefore greatly appreciate receipt Department's views by Monday a. m. at latest. I respectfully request immediate instructions."

"Department's telegram to La Paz drafted August 12¹

"You may inform Alvarado that while US always prepared participate BA Conf (Embtel 451 Aug 11) it has consistently stated in IA-ECOSOC that preps must be adequate if conf not to be fiasco.

"IA-ECOSOC has not yet completed what in Dept view is most important part of con preps, i.e. study of and recommendations for solution of, current major Hemisphere econ problems, which recommendations should be submitted to Govts well in advance of conf.

"One of main conf objectives is to consider most desirable procedures for implementing Bogotá Econ Agreement. Numerous reservations to Econ Agreement including those by US have impeded ratification, and IA-ECOSOC has attempted solution reservations problem by means of additional protocol (see Dept circ instr Mar 7, 1949). At this moment success protocol method to solve reservations problem doubtful.

"In light foregoing Dept would oppose attempting now repeat now to fix early conf date.

"Following for your own info :

"Colombia appears only Govt actively pressing for BA conf apparently ignoring that particular projects it favored, incl Inter-Amer

¹ This message was sent to La Paz as Department telegram 206, August 12, 1949 (810.50 Buenos Aires/8-1149).

Bank, were already in effect rejected by IA-ECOSOC² (though Colombia perhaps hopes revive them at BA). Arg Govt apparently taking no initiative whatsoever for conf."

ACHESON

² See *Annals*, 1949, p. 315.

Editorial Note

The Economic Agreement of Bogotá, as approved at the Ninth International Conference of American States, was not submitted to the Senate for advice and consent to ratification, nor was it ratified by the necessary two-thirds of the signatory states required to make it enter into force. Only Costa Rica, Honduras (with a reservation), and Panama ratified the Agreement.

Consideration of the draft Additional Protocol to the Economic Agreement was not completed during 1949, and the proposed Inter-American Economic Conference at Buenos Aires was not held.

For the texts of resolutions approved by the Inter-American Economic and Social Council, April 10, 1950, on the Inter-American Economic Conference and on Reservations to the Economic Agreement of Bogotá, see *Annals*, 1950, pages 254 ff. These resolutions had the effect of postponing action on both these matters by projecting further study on them.

NONPARTICIPATION OF THE UNITED STATES IN THE AMERICAN COMMITTEE ON DEPENDENT TERRI- TORIES ¹

810.014/2-949

*Memorandum by the Assistant Secretary of State for United Nations
Affairs (Rusk) to the Secretary of State*

CONFIDENTIAL

[WASHINGTON,] February 18, 1949.

The Department has been informed that the American Committee on Dependent Territories, created as a result of a resolution adopted at the Ninth International Conference of American States (Bogotá 1948),² will hold its first meeting in Habana on March 15. No representative to this Committee has been appointed by the United States. The attached paper summarizes the functions of this Committee, analyzes the attitudes of European and other American governments toward it, and presents the chief arguments, which have been advanced during a period of several months' consideration of the problem, both for and against participation by the United States. It concludes with a recommendation that a representative should not be appointed, but indicates certain steps which should be taken in connection with making this decision known to other governments and to the public.

The paper has the concurrences of ARA, EUR and UNA, the Offices directly concerned.

I recommend that the paper and its recommendations be approved, and that the attached instruction to the United States Representative on the Council of the Organization of American States be signed.³

DEAN RUSK

¹ For previous documentation on this subject, see *Foreign Relations*, 1948, vol. IX, pp. 76 ff.

² The text of Resolution XXXIII is printed in *Ninth International Conference of American States, Bogotá, Colombia, March 30-May 2, 1948: Report of the Delegation of the United States of America With Related Documents* (Department of State Publication No. 3263, November 1948), p. 268.

³ A marginal note on the source text read: "Signed".

[Annex]

Position Paper

PARTICIPATION IN AMERICAN COMMITTEE ON DEPENDENT TERRITORIES

PROBLEM

To determine whether the United States should appoint a representative to and participate in the work of the American Committee on Dependent Territories, which will soon convene in Habana as a result of action taken at the Bogotá Conference.

BACKGROUND

Article XXXIII of the Final Act of the Ninth Conference of American States (Bogotá) (Annex A) declares that “. . . it is the just aspiration of the American Republics that colonialism and the occupation of American territories by extra-continental countries should be brought to an end”, and provides for the creation of an American Committee on Dependent Territories to “. . . centralize the study of the problem of the existence of dependent and occupied territories in order to find an adequate solution to that question”. This centralized study is to be carried on with a view to seeking “pacific means of eliminating both colonialism and the occupation of American territories by extra-continental countries”. Reports on each of such territories are to be submitted by the Committee to the Council of the Organization of American States for transmission to member states “for study and information” and subsequent consideration by a Meeting of Consultation of Ministers of Foreign Affairs.

Following Bogotá there was considerable delay in the appointment of representatives by fourteen countries, as required by Article XXXIII, and further delay in the selection of a date for the meeting. The necessary appointments have been made, however, and the COAS has fixed March 15 as the date for the Committee to begin its sessions in Habana. Brazil, Bolivia, Chile, the Dominican Republic, Nicaragua, Uruguay and the United States have not yet appointed representatives.

Although the Resolution was approved by a large majority, Brazil opposed its adoption, the United States and the Dominican Republic abstained on the entire Resolution, and Chile abstained on creation of the Committee. Most active in advocating its approval were Argentina, whose obvious interest lies in strengthening outstanding claims to the Falklands and in Antarctica, and Guatemala, with a similar interest in British Honduras (Belize). The traditional attachment of American countries to the principles of self-government and self-determination of peoples was also a factor of importance to advocates of the Resolution. The United States abstained on the grounds that

the Conference was not a court of law; that, in any event, action appearing to support the claims of one of the parties to a territorial dispute was not appropriate for a meeting in which the other party was not represented, and that means for examining the problems of dependent peoples are provided in the Charter of the United Nations.

The Department has continued to hold these general views with regard to the Committee as well as the Bogotá article which created it. Our missions in most of the other American republics were instructed to convey our general position to the Foreign Ministers of those countries early in December, and the responses to these approaches indicated that there was slight genuine interest in the Committee, except for that obviously held by Argentina and Guatemala. Cuba, Mexico, Paraguay and Colombia indicated some sympathy with the general objectives, but none of the countries which have not appointed representatives seem likely to do so, while Brazil has been firm in its expression of opposition to the Committee and its terms of reference. Many of the countries which have appointed members have selected their chiefs of mission or other diplomatic officers in Habana. Failure of the United States to designate a representative has produced a certain amount of unfavorable comment in Latin America, although the Committee itself has scarcely attracted enough attention yet for this to have become extreme. One factor in this lack of interest has been the discretion of the British in avoiding a repetition of the excitement created in 1947-48 over Belize and Antarctica.

As holders of the territories in question, although the amount of their control varies considerably, the British, Dutch and French have made known to the Department on numerous occasions since the Bogotá Conference their extreme distaste for Article XXXIII, the Committee resulting from it, and their apprehension at possible participation by the United States. In response to their queries and those of the press, the Secretary and officers of the Department have merely stated that no decision on appointment of a U.S. representative has been reached, but that all aspects of the problem were being given full consideration.

Departmental consideration has, in fact, been going on for several months and has produced a fairly evenly balanced set of arguments for and against U.S. participation. These may be summarized as follows:

For participation:

(1) Failure of the United States to join will open this Government up to criticism for boycotting an inter-American organization established by majority vote of the Bogotá Conference, as the USSR has boycotted UN agencies;

(2) It would avoid the risk of encouraging Latin American as distinguished from inter-American cooperation;

(3) It would offer an opportunity for U.S. influence to be thrown against unwise actions which the Committee might otherwise take;

(4) It would prevent the accusations, which are certain to develop, that the United States is indifferent to the fate of dependent peoples;

(5) Non-participation will not eliminate the necessity for our dealing with the questions raised, either in their immediate context or in the long run, since in any event the Committee's reports are to be considered by a Meeting of Foreign Ministers;

(6) Positive expression of our views at Habana is necessary in order to prevent the Committee from acting in such a way as to create dissension among freedom loving countries in this time of crisis, cast an unfavorable light on the inter-American regional organization, or establish a bad precedent that the question of colonial territories is an appropriate one for action by regional groups which exclude the metropolitan countries directly involved. There is danger, in this connection, that the viewpoints of the fourteen countries present will be fixed so firmly at Habana that there will be no opportunity for subsequent majority alteration at a Meeting of Foreign Ministers.

Against participation:

(1) U.S. participation will be resented by the British, Dutch and French;

(2) Brazil has indicated she will not attend;

(3) It will be interpreted as inconsistent with our UN obligations, especially since we have taken the position that, if international action on the problems is necessary, it should be done through the UN;

(4) It will be interpreted as lending U.S. support to claims for disputed territories with regard to which we have always maintained an impartial attitude;

(5) It will be inconsistent with our abstention at Bogotá, and the reasons for which that position was taken;

(6) It will, if carried on by the U.S. representative consistently with the principles we have always expressed, actually antagonize the Latin Americans more than if we abstained;

(7) It has been pointed out that, since the Committee could only get the information necessary to prepare useful studies with the consent of the metropolitan governments, which will not be given, or by interfering in one or more ways with their internal affairs, which would be contrary to basic inter-American and UN obligations, the specific purpose for which it was created cannot be achieved, and the United States would not therefore associate itself with such an enterprise.

It now appears that the Committee will have only fourteen members when it meets, and that of these fourteen there will be some representatives of countries which will not have any strong desire to bolster the cases of those which have obvious axes to grind. Since Article XXXIII requires that the studies prepared by the Committee shall be transmitted by the COAS to all the American governments "for their information and study", and subsequent consideration by a Meeting of Foreign Ministers, it would appear that this Committee

can be viewed primarily as a body for preliminary action in which the views even of the participating governments need not be regarded as fixed or final. It would be highly desirable to emphasize this interpretation, since it would mean that, even if the United States, Brazil and others do not participate, there would be subsequent opportunity, not only for them to express their views on reports which are almost certain to be unacceptable, but also for the countries which are to be represented subsequently to oppose the Committee's findings. If it is determined that the United States shall not participate, this position could be explained to the other governments by stating that, while we do not think the Committee is an appropriate body to study problems affecting countries not represented, we specifically reserve our right and declare our intention to examine its results and we feel that all governments, whether represented or not, should take the same position.

If this position can be maintained, it appears that many of the unfortunate consequences of non-participation could be minimized, while the opportunity would not be lost for the United States and the Organization of American States to lessen the danger that the original unwisdom of Bogotá will be compounded.

RECOMMENDATIONS

It is, therefore, recommended that :

(1) The Representative of the United States on the Council of the Organization of American States inform the Secretary General of the OAS that the United States does not plan to appoint a representative to the American Committee on Dependent Territories, and transmit a memorandum to the other representatives on the COAS stating our reasons for not making this appointment, together with an indication that we may wish to comment on the reports emanating from the Committee. An instruction to this effect is attached for the signature of the Secretary.⁴

(2) The substance of the memorandum referred to above should be communicated through our Embassies in the other American Republics, together with the suggestion, wherever appropriate, that, in view of the serious questions of principle regarding the Committee, those governments also reserve their final opinion regarding any conclusions the Committee may reach.

(3) After an appropriate interval, the substance of the above mentioned memorandum should be made public.

⁴ Not printed.

Editorial Note

Under date of March 2, 1949, the Secretary of State transmitted instruction no. 4 (not printed) to the United States Representative

on the Council of the Organization of American States (Daniels) requesting him to advise the Secretary General of the Organization of American States of United States intention not to appoint a representative to the American Committee on Dependent Territories (810.014/2-949). On March 4, after informing the Governments of the other American Republics of its intention, the Department of State issued a press release reflecting the recommendations of the position paper annexed to Mr. Rusk's memorandum. The text of the press release is printed in Department of State *Bulletin*, March 13, 1949, page 319.

The Committee spent considerable time during its first meeting discussing the status of Puerto Rico and finally decided to have the Council of the Organization of American States refer to the member states the question of the Committee's competence "to study the situation existing in any American territory under the sovereignty and effective jurisdiction of any American state". At the time of the signing of the Committee's Final Act, on July 21, 1949, Costa Rica, Cuba, Ecuador, and Guatemala had announced in favor of the Committee's competence, while Bolivia, Brazil, Colombia, the Dominican Republic, El Salvador, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the United States, and Venezuela announced against (see *Annals of the Organization of American States*, 1949, page 389). The text of a statement by the Alternative United States Representative (Sanders) before the Council of the Organization of American States, on April 21, 1949, setting forth the United States position on this question is printed in *Documents on American Foreign Relations, Volume XI, January 1-December 31, 1949*, edited by Raymond Dennett and Robert K. Turner (World Peace Foundation, 1950), page 518.

SIGNATURE OF THE PACT OF AMITY BETWEEN COSTA
RICA AND NICARAGUA, FEBRUARY 21, 1949

Editorial Note

On February 21, 1949, the Costa Rican and Nicaraguan Representatives to the OAS signed a Pact of Amity to settle the differences which had arisen between the two countries. The text of the Pact is printed in *Annals of the Organization of American States*, 1949, page 204. For documentation on events leading up to the signature of the Pact of Amity and references to pertinent secondary material, see *Foreign Relations*, 1948, volume IX, pages 488 ff.

UNITED STATES SUPPORT OF INTER-AMERICAN COLLECTIVE ACTION FOR PEACEFUL SETTLEMENT OF DISPUTES, WITH PARTICULAR REFERENCE TO THE CARIBBEAN AREA ¹

737.39/1-2449

Memorandum of Conversation, by the Assistant Chief of the Division of Caribbean Affairs (Walker)

CONFIDENTIAL

[WASHINGTON,] January 24, 1949.

The Cuban Minister of State, Señor Carlos Hevia, informed me that he was becoming increasingly disgusted and annoyed with the attitude of the Dominican Republic toward Cuba. He went on to explain that in his opinion the Cayo Confites matter ² was a closed incident, since the Cuban Government in fulfillment of its international obligations had broken up the revolutionary movement. He said that unless the Dominican Government has some issues to present and that so far they had presented none, there was absolutely no need for any bilateral negotiations between the two governments. In this connection, he stated that the last note received from the Dominican Government concerning its desire to undertake negotiations was discourteous and offensive. He remarked that his first reaction on the receipt of the note was to return it unanswered, but that as a gesture of courtesy to the Committee of Five ³ it was decided to acknowledge the communication.

The Minister then referred to the press attacks against President Prío ⁴ and the Cuban Government appearing in the controlled Dominican press which he said reflects the views of the Dominican Government, and also to the restrictions governing the entry of Cuban citizens into the Dominican Republic. With regard to the latter difficulty, he said that these restrictions virtually prohibit Cubans from going into the Dominican Republic, but that, on the other hand, Dominican citizens are freely permitted to enter Cuba and are sub-

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 153 ff.

² Documentation on this subject is included in the compilation dealing with the United States policy on non-intervention in Dominican political affairs in *ibid.*, 1947, volume VIII.

³ i.e., the Inter-American Committee on Methods for the Peaceful Solution of Conflicts, which changed its name on July 6, 1949 to the Inter-American Peace Committee.

⁴ Carlos Prío Socarrás, President of the Republic of Cuba.

ject to no onerous restrictions. He said that unless the Dominican Government changes its attitude, Cuba might give serious consideration to closing its Legation in Ciudad Trujillo.

I took occasion to inform the Minister that it was my understanding that one of the issues relating to the Cayo Confites matter involved a schooner which the Dominicans allege was seized by the revolutionaries and is still in the custody of the Cuban Government. I then inquired whether the Cuban Government had taken any steps to return this vessel to its owners. The Minister seemed to be unacquainted with this issue and said that he would look into the matter. I remarked that I had previously discussed this particular matter with Ambassador Güell⁵ who seemed to be familiar with it. I added that Ambassador Güell was of the definite opinion that the schooner in question had been seized by a unit of the Cuban Navy because the vessel was flying no flag and the members of the crew had no Merchant Marine identification papers. Dr. Güell seemed to feel that the Cuban Government would be glad to give consideration to the return of the vessel to the Dominican owners provided satisfactory evidence of ownership was presented. I remarked that an issue of this sort might be resolved through bilateral negotiations between the two governments. The Minister said that he would look into the matter on his return to Cuba.

⁵ Gonzalo Güell, Cuban Representative to the OAS and Special Assistant to the Cuban Minister of State.

738.39/2-1449 : Telegram

The Ambassador in Haiti (DeCourcy) to the Secretary of State

SECRET

PORT-AU-PRINCE, February 14, 1949—11 a. m.

29. Week end brought increased tension over Dominican relations.¹ Assembly hastily passed February 12: (1) resolution requesting Executive apply law on compulsory military service; (2) bill authorizing national defense loan \$3,000,000 with provision for enforced subscriptions by all government employees and persons working for commercial and industrial firms Haitian or foreign (see Embdes 68,

¹ In view of Haitian fears concerning a possible Dominican invasion, the Ambassador in Haiti had been authorized on January 21 to inform the President that if such an attack took place, the United States would take immediate action in consultation with the other American Republics and in accordance with the Inter-American Treaty of Reciprocal Assistance (telegram 14 to Port-au-Prince, 838.00/1-2149, not printed).

February 12²). Loan measure certain encounter resistance and already causing bitter comment despite general popular support of government in Roland affair.³ It could boomerang to disadvantage Estimé⁴ administration. There also under consideration by Senate Committee bill passed by Lower House providing for un-Haitian activities committee to investigate cases disloyalty. This proposal likewise has created nervousness.

I saw President Saturday⁵ and found him in aggressive mood. He said he thought he would have to fight Trujillo,⁶ as latter seemed determined cause trouble Haiti. Consequently, he was proceeding all necessary steps put country on defense basis.

While recognizing provocation given through Roland broadcasts, I urged maintenance calm dignified attitude protest, rather than continuation inflammatory and abusive language such as has been directed at Trujillo by radio and press past several days. I also emphasized desirability avoiding frontier incidents capable starting armed hostilities; pointed out Haiti's military weakness and expressed belief conflict could be settled through diplomatic channels or by OAS. Estimé said he would take no aggressive step but must prepare for worst.

Yesterday I talked with Papal Nuncio, who appears have some influence both countries, and suggested he might attempt spread oil on troubled waters. He agreed to try. After conversation with President, I am convinced it would help greatly if Dominican government would get Roland out of country. Estimé said he would not care if Roland went to US, Mexico, Jamaica, or elsewhere, so long as body water was between him and Haiti. I mentioned this idea Roland's removal to Nuncio and to Dominican Ambassador. If Department thinks it worthwhile, it might consider making similar suggestion to Dominican Ambassador Washington and through Embassy Ciudad Trujillo.

One encouraging factor is high army officers appear not unduly excited over situation.

Diplomatic corps in general feels Haitian government playing its cards very badly.

Sent Ciudad Trujillo airmail.

DeCOURCY

² Not printed.

³ See *infra*.

⁴ Dumarsais Estimé, President of Haiti.

⁵ February 12, 1949.

⁶ General Rafael Leonidas Trujillo Molina, President of the Dominican Republic.

738.39/2-1849 : Circular airgram

The Secretary of State to the Diplomatic Missions in the American Republics, Except Haiti and the Dominican Republic

RESTRICTED

WASHINGTON, February 18, 1949—8:40 a. m.

The following is for your information.

At the regular meeting of the Council of the Organization of American States on February 16, there was distributed a letter dated February 15¹ from the Haitian Representative Charles to Chairman Corominas² reporting "certain serious facts" which affect the relations between Haiti and the Dominican Republic, and which may be summarized as follows: The former Haitian Colonel and Chargé d' Affaires in Quito, Astrel Roland who, the Haitian Government recently concluded, was engaged in a plot to overthrow his government, was in January dismissed from his post and accused before the Haitian courts. Recently he arrived in the Dominican Republic where he made several provocative radio speeches denouncing the Haitian Government. The Haitian Government has evidence showing that Roland is being aided in his revolutionary aims by Dominican officials. The letter concludes saying that Roland's activities constitute "an aggression of moral order" which endangers the peace. The Haitian Representative therefore requested that the Organ of Consultation of the American Republics be convoked to consider appropriate measures to preserve peace.

In reply to this statement, the Dominican Representative³ on the COAS stated that neither he nor his government had been informed in advance of these charges. However, he rejected them, stating there was nothing in the Haitian letter to indicate that the Dominican Government as such had been implicated in Roland's activities except to the extent of permitting him to take asylum in the Dominican Republic as a political exile from Haiti, in accordance with a well-established Latin American principle.

The Mexican Representative⁴ expressed the view that the case brought to the Council's attention by the Haitian Representative was hardly of such a character as to come within the terms of the Rio Treaty.⁵

After approximately 1½ hours discussion, during which no other representatives present expressed any opinions on the substance of

¹ Text in *Annals of the Organization of American States*, 1949, p. 218.

² Enrique Corominas, Argentine Representative to the OAS.

³ Joaquín Salazar.

⁴ Luis Quintanilla.

⁵ The text of the Inter-American Treaty of Reciprocal Assistance, which entered into force for the United States on December 3, 1948, is printed in Department of State Treaties and Other International Acts Series (TIAS) No. 1838, or 62 Stat. (pt. 2) 1681.

the case, it was voted at 2:30 p. m. to suspend the debate. The case will be taken up again by the Council at a special meeting to be called in the near future.

ACHESON

738.39/2-2345 : Telegram

The Secretary of State to the Embassy in Haiti

CONFIDENTIAL

WASHINGTON, February 23, 1949—7 p. m.

35. At session COAS Feb 23 Haitian representative recited in detail basis charges Dom Govt planning aggression. Cited Roland-Verbracken ¹ corres (obviously that seized his files Quito) and meeting Paulino ² NY discuss aggression. Presented no conclusive evidence.

Dom representative denied categorically material presented by Charles established proof Dom aggression planned and asserted Dom Govt not involved in any aggressive plans. Denied applicability Rio Treaty and hence competence Council consider Haitian charges. Asserted Dom Govt ready discuss matter directly with Haitian Govt or seek good offices Inter-American Committee Methods Peaceful Solution Conflicts (Res XIV, Habana 1940 ³), and this communicated Feb 22 in note to Haitian Govt. Charged Haitian Govt with previous complicity revolutionary activities against Dom Rep as cited Louis Bordas statements Puerto Rico press approximately year ago that Cayo Confites expedition failed because Haiti betrayed it after promising help. Also asserted during very period of corres cited by Charles allegedly showing Dom Govt aggressive intention Dom Govt endeavoring conclude bilateral agreement Haiti whereby both countries would suppress revolutionary activity within their respective borders directed against the other.

Charles asserted Haitian Govt had promptly denied Bordas' story for reason Govt never involved Cayo Confites plot. Also said Haitian Govt had good reason refusing sign aforementioned bilateral agreement.

Chairman Council authorized appoint Committee ⁴ to draft resolution for consideration by Council next meeting. Consensus Council's

¹ Joanna (or Jeanine) Verbraeken, alleged to have been involved in 1948 in a plot to assassinate President Estimé of Haiti, later turned informer for the Haitian Government. Considerable material on Colonel Roland's activities is contained in decimal file 838.00.

² Lt. Gen. Anselmo Paulino Alvarez, Dominican Minister Without Portfolio.

³ The text of Resolution XIV of the Second Meeting of Ministers of Foreign Affairs of the American Republics, July 21-30, 1940, is in Department of State *Bulletin*, August 24, 1949, p. 136.

⁴ The five-member committee was composed of the representatives of Chile, Mexico, Nicaragua, the United States, and Uruguay.

views appeared Haitian case not within terms Rio Treaty and therefore convocation Organ of Consultation not appropriate.

Repeated Ciudad Trujillo.

ACHESON

Editorial Note

At a meeting on February 25, 1949, the Council of the Organization of American States adopted a resolution with all members voting in favor except Costa Rica which abstained. The representatives of the Dominican Republic and Haiti did not vote but indicated their acceptance of the resolution. After the vote, they pledged their governments to follow the course of pacific settlement of any disputes between them. The text of the resolution, as printed in *Annals*, 1949, page 219, read as follows:

“WHEREAS: During the course of the discussion that followed the request of February 15 presented by the Representative of the Government of Haiti; the Council noted with pleasure the statements affording a basis of hope that Haiti and the Dominican Republic may arrive at a friendly agreement through recourse to the peaceful procedures provided in applicable inter-American instruments,

The Council of the Organization States

RESOLVES:

1. To refrain, under the circumstances, from convoking the Organ of Consultation.

2. To express the hope that good relations between Haiti and the Dominican Republic may be strengthened, and friendship between the two nations thus deepened.”

738.39/3-949

*Memorandum of Conversation, by the Under Secretary of State
(Webb)*

CONFIDENTIAL

[WASHINGTON,] March 9, 1949.

Participants: The Under Secretary
Mr. Joseph D. Charles, Haitian Ambassador
Mr. Leonard H. Price—CRB¹

Ambassador Charles called at his request for the purpose of reviewing recent developments in the relations between Haiti and the Dominican Republic. He gave a brief résumé of the activities of former Haitian Chargé d’Affaires (in Ecuador), Astrel Roland. He said that these activities had been conducted with the full knowledge, and apparently the permission, of the Dominican Government and that Ro-

¹ Assistant Chief of the Division of Caribbean Affairs.

land was even now continuing his provocative radio broadcasts against the Haitian Government in general and President Estimé in particular. He inquired whether there was anything the U.S. Government could do which might be of assistance to Haiti in this matter.

I told the Ambassador that I had been in touch with Mr. Daniels² on this matter and had followed events with a great deal of interest. I said that it was my understanding that the subject had been considered at a meeting of the Council of the Organization of American States recently and that I had hoped that, in accordance with the recommendation of the Council, it would be possible to effect a satisfactory solution to the problem by direct negotiations between Haiti and the Dominican Republic.

Ambassador Charles indicated that he had shared the hope of a satisfactory settlement by direct negotiations but that his hopes had been dampened considerably by the continued broadcasts of Roland over the Dominican radio facilities after the decision of the Council of the Organization of American States on February 25. He mentioned also that an earlier effort had been made to reach a solution by direct negotiations when the Haitian Government addressed a note to the Dominican Government on February 9. He said that this effort had met with no success.

Ambassador Charles inquired what, under the circumstances, would be the reaction of this Government to a Haitian request for our good offices in effecting an understanding with the Dominican Government. I replied that without going into the ramifications of assistance by "good offices" I could say that this Government was most sympathetic and friendly toward Haiti and that it was anxious to make every proper effort toward ironing out Haiti's differences with its neighbor. I felt, however, that any effort in this direction would be considerably strengthened if we could point to compliance by Haiti with the resolution unanimously adopted on February 25 by the Council of the Organization of American States.

Ambassador Charles then inquired what our reaction might be to a proposal by Haiti that the "Committee of Five" consider this matter pursuant to the terms of the Habana Resolution of 1940. Mr. Price briefly explained the terms of the Habana Resolution in question and then expressed the opinion, in which I concurred, that my previous reply to Ambassador Charles would cover his inquiry regarding this procedure; namely, that it would strengthen the position of the U.S. Government in seeking any new means of solving the problem to be able to point to an attempt by the Haitian Government to comply with a recommendation which has already been made in the premises by the

² Paul C. Daniels, U.S. Representative to the OAS.

COAS. I reiterated my previous expressions of interest in this matter and voiced the hope that the Haitian Government would find it possible to effect a satisfactory solution to the problem under discussion by means of direct negotiations pursuant to the recent decision of the Council of the Organization of American States.

Ambassador Charles expressed his thanks and indicated that he would communicate the substance of our conversation to his Government.³

³ For further action by the OAS on the Dominican Republic-Haiti dispute, see the editorial note under date of June 9, 1949, p. 445.

810.00/5-1249

The Ambassador in Guatemala (Patterson) to the Secretary of State

CONFIDENTIAL

GUATEMALA, May 12, 1949.

No. 228

SIR: I have the honor to refer to the Department's Confidential Instruction no. 38 of March 24, transmitting a copy of a memorandum of conversation of March 11 with the Dominican Ambassador with regard to alleged anti-Dominican revolutionary activities in Guatemala,¹ and specifically with regard to an alleged meeting of revolutionary elements in Guatemala City on February 15.

Discreet inquiries made through available sources have failed to verify the report regarding the meeting or "congress" allegedly held in Guatemala City on February 15. However, in view of the frequent visits here of Messrs. Juan Bosch, Miguel A. Ramirez, and others, and the more or less permanent residence of other individuals identified with the so-called Caribbean Legion, it is considered quite possible that some such a meeting did take place. Many past reports from this mission . . . have drawn attention to the obvious hospitality and cooperation enjoyed in Guatemala by this group, whose general aim is to overthrow Somoza² and Trujillo. These past reports likewise clearly indicate that the Guatemalan Government gave material assistance to the Caribbean Legion³ in the Costa Rican adventure. It also is a matter of record that the Dominican and Nicaraguan emigrés carry on their scheming with the full knowledge and blessing of high Guatemalan officials.

¹ Neither the instruction nor the memorandum of conversation is printed.

² Anastasio Somoza, President of Nicaragua.

³ A group of political exiles and military men from countries in the Caribbean area with the alleged aim of overthrowing certain dictatorial governments in the area.

Recent indications are that the Caribbean Legion is removing personnel and arms from Costa Rica to Guatemala, and yet unverified reports indicate that Legion elements presently are concentrated in the remote Poptun area on the Government agricultural projects in that locality. However, the Embassy has no information bearing upon another current rumor (which it is inclined to doubt) to the effect that the Legion is concentrating near Puerto Barrios, presumably poised for an invasion of the Dominican Republic. While one may not discount the possibility that some definite plan of revolutionary action exists, the Embassy's impression is that the exodus of Legion personnel and arms from Costa Rica is merely a precautionary measure to gain the sheltering hospitality of Guatemala lest political developments in the former country take an unfavorable turn as regards Legion interests. In this connection, reference is made to the Embassy's telegram no. 178 of May 5.⁴

With respect to the allegation that President Prío Socarras asked the Guatemalan Government to request the cooperation of Haiti to form a revolutionary movement in Haitian territory against the Dominican Republic, it may perhaps be significant that the new Haitian Chargé d'Affaires, M. Jean Coradin, has been encountered by a member of the Embassy staff in the Ministry of Foreign Affairs, awaiting audience with the Foreign Minister, on two recent occasions. The possibility that his visits concern anti-Dominican activities is plausible, especially in view of Muñoz Meany's⁵ vehement attitude toward Trujillo (and Somoza) and having in mind a recent report . . . commenting that the Foreign Minister appears to be "up to his neck" in Caribbean Legion affairs.

Indicative of the attitude of President Arévalo⁶ on the subject of "tropical dictatorships", it is not inappropriate to recall a remark which he once made to former Ambassador Kyle in the sense that his utmost desire is to serve out the remainder of his term and then devote the rest of his life to eliminating the Caribbean dictators.

Respectfully yours,

For the Ambassador:

First Secretary of Embassy
MILTON K. WELLS

⁴ Not printed.

⁵ Enrique Muñoz Meany, Guatemalan Minister for Foreign Affairs.

⁶ Juan José Arévalo, President of Guatemala.

Editorial Note

On June 9, 1949, the representatives to the Organization of American States of Haiti and the Dominican Republic signed a Joint Dec-

laration reaffirming the intentions of the two countries to maintain good relations and "not [to] tolerate in their respective territories the activities of any individuals, groups, or parties, national or foreign, that have as their object the disturbance of the domestic peace of either of the two neighboring Republics or of any other friendly Nation." (Text in *Annals*, 1949, page 326.)

The signing of the Joint Declaration was achieved principally through the efforts of the Inter-American Committee on Methods for the Peaceful Solution of Conflicts (composed of the OAS representatives of Argentina, Brazil, Cuba, Mexico, and the United States), which intervened in the Haiti-Dominican Republic dispute on March 24 at the request of the Haitian Government, which felt that the Dominican Government was not taking sufficient action to terminate the activities of Colonel Astrel Roland following the COAS resolution of February 25, 1949.

A memorandum by Mr. E. A. Jamison, Assistant Chief of the Division of Special Inter-American Affairs, dated June 13, 1949, providing a summary record of developments in the Haiti-Dominican Republic dispute between February and June 1949 is contained in decimal file 738.39/6-1349.

810.00/6-949

Memorandum of Conversation, by the Acting Assistant Chief of the Division of Central America and Panama Affairs (Bennett)

RESTRICTED

[WASHINGTON,] June 9, 1949.

At the Cuban Embassy at a reception yesterday I took occasion to say to Ambassador Esquivel¹ that the Department was concerned over the numerous rumors being received in recent days relative to renewed activity in Costa Rica by elements of the Caribbean Legion. The Ambassador indicated surprise at my comments and denied knowledge of any such activities. I mentioned in general outline the various reports of recent date concerning military plane flights back and forth between Costa Rica and Guatemala with presumed arms cargoes and the movements of such well known Legionnaires as Miguel Angel Ramirez.

I said that since the Department considered the Ambassador to be opposed to the promotion and support of this kind of international

¹ Mario Esquivel, Costa Rican Ambassador in the United States.

activity on the part of Costa Rica, I thought he would want to know of these reports if he was not already aware of them. I suggested that the carrying on of such activities in Costa Rica could only be expected to invite counter measures on the part of Nicaragua with a consequent resurgence of the unsettled political conditions which had existed last year in Central America. I offered the opinion that such conditions are not in the best interests of Costa Rica. The Ambassador professed agreement with these views and indicated that he would take the reports up with his Government.

While Ambassador Esquivel continued to deny any knowledge of renewed Legion activity in Costa Rica or cooperation with Guatemala in that field, he did state later on in the conversation that certain arms were being "exchanged" with Cuba. He explained this latter transaction by saying that the Costa Rican Government was in possession of a considerable number of rifles which were too short range for its purpose and was carrying on an exchange with the Cuban Government. He said that he was not sure of the make or the quantities involved but it was his impression that the Costa Ricans are transferring 500 Springfields to Cuba in exchange for 200 Riesings. (The Costa Ricans in their attempts to purchase arms last year showed a strong partiality for Riesings.)

Several times during the conversation Ambassador Esquivel inquired as to whether I had any late news concerning possible trouble in Central America and specifically some event yesterday. He finally came out with the statement that he had had a report that afternoon, which I gathered had come direct by telephone from San José, although he stressed repeatedly that it was informal and might be incorrect, that a Cuban military plane had been forced down in Nicaragua while en route to Costa Rica and was being held by the Nicaraguans. According to his report, the Cuban Government had given Nicaragua a 12-hour ultimatum to release the plane. I told the Ambassador that I was not aware of any such report having been received in the Department. He said that he had mentioned the matter to the Cuban Ambassador² who was also uninformed on the matter. We agreed to communicate with each other should any further information be received.³

² Oscar Gans.

³ Airgram 294, July 25, from Managua, not printed, reported that negotiations between the Cuban and Nicaraguan Governments had resulted in the release of the plane on July 23 and its return to Cuba on the following day (810.00/7-2549).

810.00/6-2349

The Ambassador in Guatemala (Patterson) to the Secretary of State

CONFIDENTIAL

GUATEMALA, June 23, 1949.

No. 314

Subject: Transmitting Text of Embassy's Note of June 22 to the Ministry of Foreign Affairs Renewing Previous Requests for an Investigation of Reports with Regard to the Presence of Certain Aircraft and American Citizens at the San Jose Airbase in Connection with Caribbean Legion Activities.

SIR: Referring to the Embassy's telegram No. 257 of June 23,¹ I have the honor to enclose for the Department's further information a copy of my Note No. 81 of June 22 which was drafted and delivered pursuant to the instructions contained in the Department's telegram No. 185 of June 21.¹ Also enclosed is a self-explanatory memorandum¹ covering the oral representations made on the above-captioned matters earlier in the day by First Secretary Wells.

Respectfully yours,

RICHARD C. PATTERSON, JR.

[Enclosure]

The American Ambassador (Patterson) to the Guatemalan Minister for Foreign Affairs (Muñoz Meany)

No. 81

GUATEMALA, June 22, 1949.

EXCELLENCY: I have the honor to acknowledge the receipt of the Ministry's note No. 9330 of June 17,¹ in reply to the Embassy's note No. 69 of May 28,¹ transcribing a communication from the Ministry of Defense with regard to the investigation conducted by that Ministry concerning the presence at the San Jose airbase of two airplanes, which, there is strong reason to believe, may have been flown out of the United States in violation of its laws. It is noted that the investigation disclosed that the airplanes in question landed at San Jose due to defective engines, that no irregularities were found, and that the planes are of Mexican registration, numbers C47-XA-HOS and C46-XB-HUB.

With respect to the identity of these aircraft, an inquiry is being made through official channels of the Mexican Government to obtain the desired information concerning their former United States registry and manufacturer's serial numbers in an effort to ascertain if they were exported illegally from the United States, and, if so, the responsibility therefor.

¹ Not printed.

In this connection, reference is made to the recent conversations between the Sub-Secretary of Foreign Affairs and the First Secretary of this Embassy, in which the latter requested a further investigation into subsequent reports to the effect that (a) two or more American citizens were among the crew members, and (b) other aircraft whose movements appear difficult to account for, including one amphibian, also had landed at the San Jose airbase.

Under instructions from my Government, I have the honor to renew the request for the specific identification data on the aircraft mentioned in the Embassy's note No. 69 of May 28,² in the event such information has since become available to Your Excellency's Government, and to confirm the oral requests for the further investigations made by the First Secretary of Embassy. My Government particularly desires to obtain all available information with regard to the unsubstantiated reports of the presence of American citizens among the plane crews.

My Government has instructed me to inform Your Excellency that it views seriously numerous and repeated reports from several countries concerned with the possibility of disturbances of the peace of certain of the American Republics and the possibility that several aircraft, the movements of which appear difficult to explain, may be engaged in prejudicial missions. My Government assumes that the Government of Guatemala shares this concern and that it will therefore wish to cooperate to the fullest extent to forestall activities which may be contrary to inter-American obligations to maintain the peace and security of the American Republics.³

I avail [etc.]

² Not printed.

³ For further information on Guatemalan responses to the U.S. requests for investigation of the reports mentioned in this note, see the memorandum by Mr. Siracusa, August 4, p. 454.

810.00/6-2749 : Telegram

The Ambassador in Venezuela (Donnelly) to the Secretary of State

SECRET

CARACAS, June 27, 1949—6 p. m.

408. Foreign Minister¹ expressed to me today his government's grave concern over recent developments in Caribbean and fear further disturbances possibly involving Venezuela. He said US and only US can stop conspiracies by taking firm stand against guilty parties and that US can do so without being accused of intervention. He professed no confidence in conciliatory efforts OAS.

¹ Luis E. Gómez Ruiz.

Minister blames Cuba and Guatemala and said although his government abstained from taking part in conspiracies, continued aid by Cuba and Guatemala to enemies his government might ultimately provoke action by Venezuela. He remarked "military leaders here [have?] been patient in light adverse propaganda and intrigue originating in Cuba and Guatemala but they may ultimately lose their patience". Minister said enemies Venezuelan Government attempting smuggle arms into Venezuela through La Guaira and Maracaibo also Venezuelan Government been informed that ship about to sail from New York (Pier 67) with armaments consigned to Matute Gómez Venezuelan national residing in Costa Rica but ultimate destination armaments still unknown. Minister said several enemies of Arévalo requested permits visit Venezuela to discuss revolutionary plans with Junta with obvious end obtaining financial aid here but requests refused. He said Venezuelan Government been in touch with Ulate² for sole purpose informing him try CD affairs in Venezuela [apparent garble]. Betancourt³ is person they fear most. They know he is in contact with Arévalo, Prío Socorras, Figueres⁴ and Juan Bosch and they realize this group will continue conspire against Junta. Danger is Junta members may shortly become intolerant of attacks and take active part in offensive against Arévalo and Prío Socorras Government.

DONNELLY

² Otilio Ulate had been elected President of Costa Rica on February 8, 1948, but was not allowed to take office. For pertinent documentation, see the compilation on the position of the United States concerning the civil war in Costa Rica in *Foreign Relations*, 1948, volume ix.

³ Romulo Betancourt, Secretary General of the Acción Democrática, had been President of the Revolutionary Junta of Government in Venezuela from October 1945 to February 1948.

⁴ José Figueres had become President of the Founding Junta of the Second Republic in Costa Rica in May 1948.

810.00/6-2749 : Telegram

The Secretary of State to the Embassy in Venezuela

SECRET

WASHINGTON, June 30, 1949—7 p. m.

244. Urtel 408, Jun 27. Dept's records indicate no licenses issued for alleged shipment arms to Matute Gómez. Customs NY requested Jun 28 check all bladings and manifests ships departing from Pier 67 or vicinity for Central or SoAmer and if necessary search them for contraband. You may inform FonMin this fact and reassure him US prepared vigorously enforce laws (Deptel 51, Mar 1).¹

¹ Not printed.

You may add Dept does not share his lack confidence OAS and considers Org has shown commendable vigor, effectiveness and discretion in handling recent problems e.g. the CR-Nic dispute in Dec 1948.² This and other actions OAS shld, in Dept's opinion, inspire confidence in protection afforded by Rio Treaty and other inter-Amer agreements. Dept cannot believe Ven Govt wld contemplate any act which wld patently be violation these inter-Amer obligations.

You may express hope FonMin will not become unduly alarmed over unconfirmed reports alleging hostile plans by other Govts. Dept's experience indicates such reports frequently exaggerated when not altogether false.

As example unreliability reports you might in ur discretion refer to FonMin's allegation (Embgam 544 Jun 20³) that Betancourt enjoys easy access to Dept. Fact is Betancourt has not visited Dept since his arrival in US as exile nor do Dept officers maintain contact with him elsewhere. However, shld Betancourt call at Dept, he wld of course be courteously recd.⁴

ACHESON

² Documentation relating to the Costa Rica-Nicaragua dispute is printed in the main compilation on Costa Rica in *Foreign Relations*, 1948, volume ix.

³ Not printed.

⁴ The Ambassador in Venezuela responded to the Department's telegram in his telegram 428, July 1, from Caracas, the text of which read as follows:

"Today conveyed to Foreign Minister substance info Deptel. He said: 'It is most satisfactory.' He stressed importance measures prevent disturbances Caribbean and repeated Venezuelan Government will continue present policy non-intervention." (810.00/7-149)

839.00/7-1249

Memorandum of Conversation, by the United States Representative to the Organization of American States (Daniels)

CONFIDENTIAL

[WASHINGTON,] July 12, 1949.

Participants: Ambassador Joaquín Salazar, Representative of the Dominican Republic on the COAS.
 Señor Dr. Félix W. Bernardino, Secretary of the Dominican Delegation to the COAS.
 Ambassador Paul C. Daniels, U.S. Representative on the COAS.

Ambassador Salazar and Dr. Bernardino called at my office by appointment made at their initiative. After some preliminary conversation on general matters, Ambassador Salazar adverted to what was obviously the main purpose of his visit, i.e., to discuss the at-

tempted invasion of the Dominican Republic on June 19, 1949 near Luperón.¹

Ambassador Salazar pointed out the widespread ramifications of this revolutionary movement from other countries directed against the Dominican Republic; referred to the complicity of other Governments; stressed the dangerous effects that this situation could have on inter-American harmony and solidarity; declared that the Dominican Government, with the support of the majority of the people, was determined to resist any aggression from outside; and said that in a dangerous situation of this character, in which other foreign governments were involved, there was the even greater danger of a possible international war. He said this problem was a matter of grave preoccupation to his Government, which did not consider that the crisis had passed with the Luperón incident, but rather that there would be further continuing efforts on the part of revolutionaries to cause trouble and, if possible, overthrow the Dominican Government. In this connection Ambassador Salazar pointed out that most of the persons connected with the invasion attempt were foreigners, i.e., not Dominicans, and wondered where they got all their money. In the light of the foregoing, Ambassador Salazar said that the Dominican Government was giving serious consideration to the possibility of presenting the whole case, with ample documented information, to the Council of the Organization of American States, in the hope that the Council could take effective action to eradicate this sore spot in the Caribbean.

I said that I would not presume to advise Ambassador Salazar or the Dominican Government as to the course of action it should pursue in this matter. At the same time, I said I would be glad to make certain observations bearing on the problem in the hope that, by a full and frank exchange of views, misunderstandings could be avoided. Ambassador Salazar said he would welcome any observations I saw fit to make.

In summary, I expressed the following views:

1) That the unsettled situation in the Caribbean had been a source of continued preoccupation to me for nearly two years, particularly since the unsuccessful Cayo Confites expedition of 1947.

2) That, at least until recently, I had felt that marked improvement had taken place in this unstable and explosive situation over the past year and a half, mentioning in this connection the changed attitude of the Costa Rican Government; the Nicaraguan-Costa Rican

¹ On that date, a PBY aircraft tried to land men and munitions at the town of Luperón on the northern coast of the Dominican Republic, apparently as part of a larger plan to overthrow the Trujillo Government. The attempt was thwarted by Dominican forces who destroyed the PBY and killed or captured all 15 occupants, including three Americans killed. (810.00/7-1249)

friendship pact; and more recently the successful arrangement of the differences between Haiti and the Dominican Republic.

3) That I recognized the broad inter-American character of the problem, in view of the international ramifications and the danger it represented to inter-American peace and solidarity; and that, accordingly, the problem was not solely a Dominican one, but likewise a justified source of concern to the other American republics.

4) That I understood that the attitude of Haiti during the Luperón affair had been correct, which was a source of satisfaction to me, as well as to the Dominican Government; that I had received no good evidence of any official connivance or support on the parts of the Governments of Costa Rica, Cuba and Mexico; but that I felt insufficient information had yet been received with regard to the attitude of the Guatemalan Government.

5) That with reference to possible action by the COAS, I could see some danger of lengthy debate rather than speedy action in this case because (a) the immediate crisis had passed and there might be difficulty in obtaining a quorum at this time sufficient to take action under the Rio Treaty; (b) the question of the applicability of Article 6 of the Rio Treaty, having in mind the recent Haitian experience, as well as other "situations" in the Americas (i.e., Bolivian fears regarding Argentina and Peru); (c) the necessity of convoking a meeting of Foreign Ministers, even though the Council might act as Provisional Organ of Consultation, with the difficulties this might present in several Foreign Offices; and (d) uncertainty as to the precise form any resolution or action by the Council might take in this problem, following study and consideration by the Organ of Consultation.

6) That the five members of the Inter-American Peace Committee were more readily available, and could not, in my opinion, refuse to consider the problem if it were presented to it.

I then inquired of Ambassador Salazar why his Government seemed to prefer submission of the case to the COAS under the Rio Treaty rather than to the Inter-American Peace Committee.

Ambassador Salazar replied that, while he had no definite instructions in the matter, he believed that his Government felt the matter was of such transcendental importance in the Hemisphere, as well as to his country, that the COAS, as the top organ of the Inter-American community, might properly give its serious attention to the matter.

I repeated that I would not presume to advise the Dominican Government as to the course it should follow, but made it quite clear that I felt the Dominican Government should give careful attention to the Inter-American Peace Committee, at least as an initial approach, if it contemplated taking any action at all. I also recommended that the Dominican Government follow a policy of serenity and patience, and not, in seeking to defend itself, run any risk of going to extremes which outside opinion might consider of an aggressive character.

Before Ambassador Salazar and Dr. Bernardino left, I said that, in any event, I assumed they would be discussing this problem with

other colleagues on the COAS, as I intended to do, and that I would welcome the opportunity of a further conversation with them after a few days.

810.00/8-449 : Circular telegram

The Secretary of State to the Diplomatic Missions in the American Republics

RESTRICTED

WASHINGTON, August 4, 1949—2 a. m.

Inter-Amer Peace Comite met Aug 3 at suggestion US Rep to consider gen situation involving polit tensions Caribbean area. Comite unanimously agreed consideration this subject desirable and ltr drafted¹ requesting each Amer Govt for info or suggestions it considered pertinent.²

Comite fully realized it lacked power take any affirmative action to deal with situation other than suggestion of methods that might be employed. All members felt highly important obtain further info and views from govts before considering any further steps.

US Rep did not, as implied some press statements, suggest mtg FonMins or any other specific step beyond consideration gen problem by Comite itself.³

ACHESON

¹ Not printed.

² Replies were received from Costa Rica, Cuba, the Dominican Republic, Guatemala, Haiti, the United States, and Venezuela.

³ In a circular telegram to Diplomatic Representatives in the American Republics, August 5, not printed, the Department emphasized its lack of zeal for a meeting of Foreign Ministers at that time (810.00/8-549).

839.00/8-449

*Memorandum by Mr. Ernest V. Siracusa of the Division of Central America and Panama Affairs*¹

SECRET

[WASHINGTON,] August 4, 1949.

Subject: Evidences of Guatemalan Complicity in Luperón Invasion Attempt

There is enclosed a tabulation of reported happenings and events which tend to establish that Guatemala was involved directly in the Luperón invasion attempt. The evidence indicates that:

a. Caribbean Legion men, equipment, and aircraft were concentrated secretly at the Guatemalan Air Base at San Jose. Presumably, this was used as a staging area.

¹ Addressed to the Deputy Assistant Secretary of State for American Republic Affairs (Barber), the U.S. Representative to the OAS (Daniels), and the Assistant Chief of the Division of Caribbean Affairs (Price).

b. There was an unusually heavy concentration and activity in Guatemala City of Caribbean Legion leaders for several weeks prior to the invasion attempt.

c. Secret traffic in munitions at Puerto Barrios, just prior to the invasion, was probably connected with this effort.

d. There was probably another concentration, of seaplanes and waterborne equipment, in the vicinity of Lake Izabal or the Polochic River Valley.

e. Guatemalan airforce officers and airplanes formed a part of the invasion group which rendezvoused at Cozumel and Merida, Mexico.

f. Denials of complicity, issued by Foreign Minister Muñoz Meany and Major Cosenza, Chief of the Air Forces, were either evasive and unconvincing, or plain untruths.

[Annex]

1. EVIDENCES

a. At San Jose Air Base:

Between May 23 and June 18 there was considerable activity at the Guatemalan Air Base in San Jose. This included the constant movement to and from that base of a number of men believed to be affiliated with the Caribbean Legion. In addition, there was movement of aircraft under mysterious conditions. Mexican registered aircraft XB-HOV and XB-HOS (this one formerly registered in U.S. as NC-16003) were reported at San Jose from May 23 through June 18. A C-46 and a PBY were also reported at San Jose during this period. The presence of American citizens at San Jose during this period also was reported. The base was maintained under heavy guard and extreme secrecy surrounded all activities.

Upon the failure of the Dominican invasion attempt on June 19, six mysterious aircraft carrying Caribbean Legion men and materiel were detained in Mexico. They included XB-HOV and XB-HOS and the Guatemalan Air Force transports T-1 and T-2. The latter were in command of Guatemalan pilots and carried men of various nationalities in battle dress as well as fighting equipment. A C-46 also was detained which there is reason to believe went to Mexico from San Jose and was piloted by two Americans, Finley and Adams.

b. In the Vicinity of Puerto Barrios:

Most reliable sources reported the secret loading at Puerto Barrios on the evening of June 17 of arms and ammunition aboard a vessel belonging to the Guatemalan port captain. It is reported that they were transshipped, further out in the harbor, to a schooner of Cuban registry. Materiel is reported to have included from 100 to 300 rifles and some machine guns. The report is corroborated by another confidential and reliable source as well as by members of the Guate-

malan Air Force who stated the equipment was for use in the Dominican Invasion.

There was probably another concentration in the vicinity of Lake Izabal, presumably of seaplanes and waterborne equipment. Americans were also reported among those seen loading the craft at Puerto Barrios.

c. Guatemala City

For several weeks prior to the invasion attempt a great number of men known to be affiliated with the Caribbean Legion movement, and others unknown but suspected to be affiliated, moved through Guatemala City. These included Juan Bosch, General Miguel Angel Ramirez, Jorge Rivas Montes, and Juan Rodriguez Garcia. All of them left Guatemala within a day or two prior to the invasion attempt.

Also active were Spanish Republican elements known to be interested in the movement including Dr. Antonio Roman Duran and Dr. Amador Perrera. Their function was apparently the recruitment of men and it is reported that Dr. Roman Duran was in possession of considerable funds. There is indication that these funds were obtained from Arévalo or indirectly through his influence. Dr. Duran is reported to have been in close contact with the Guatemalan Foreign Minister for two weeks prior to the invasion attempt.

d. Response to our Inquiries

During the weeks immediately preceding the invasion attempt the Embassy made formal inquiry of the Guatemalan Ministry of Foreign Affairs with regard to the aircraft at San Jose and the possibility that Americans were involved in activities inimical to the peace of Middle America. Response was highly evasive and unsatisfactory.

e. Remarks of Officials

Significant remarks of Guatemalan officials following the thwarted invasion attempt were: Muñoz Meany's statement to the press on June 21 consisted principally of an attack against the tyranny of Trujillo rather than a denial of the charges although it did state that the Guatemalan Government "in no case has intervened nor does intervene in the internal affairs of other states".

Later in response to Dominican charges of Guatemalan complicity he avoided reference to the specific charges but denied complicity in stating that not a single Guatemalan participated. He stated that the only Guatemalan elements involved were democratic ideas and counter-charged that Trujillo and Somoza abetted recent revolutionary attempts which Guatemala had faced.

Muñoz Meany's denial appears obviously false in view of the above information and the indisputable fact that two Guatemalan aircraft

with Guatemalan Air Force pilots were among those detained temporarily by the Mexican Government.

Major Cosenza, Chief of the Guatemalan Air Force, in an obvious falsehood attempted to deny charges that Guatemalan Air Force planes T-1 and T-2 were detained in Mexico along with others of the Legion force by stating that T-1 had never been outside of Guatemala and that T-2 had been in Houston, Texas. A check with Houston authorities indicated that T-2 had not been there for months and, in any case, the fact that both aircraft were in Mexico is indisputable.

f. Complicity of High Officials

There is other information known to Mr. Daniels which seems not only to be evidence, but proof, that the highest officials of the Government of Guatemala not only permitted the above described activities to transpire within Guatemalan territory, but also were directly involved through ordering such movements of Guatemalan men and materiel.

810.00/8-1949 : Telegram

The Secretary of State to the Embassy in the Dominican Republic

CONFIDENTIAL

WASHINGTON, August 19, 1949—7 p. m.

190. For your background info closed Inter-Amer Peace Comite meeting Aug 18 re Caribbean situation confined discussion treatment replies Govts to Comite Aug 4 request and presentation by Dom Del further data support its formal reply emphasizing Dom Govt view seriousness situation. Replies to be confidential for use Comite but will be sent if submitting Govt consents to other members OAS. Above sent other missions AmReps for info.¹ Copy Dom reply being sent air pouch.²

Dom Amb³ yesterday presented to me July 22 note² from his FonMin on Caribbean situation and requested US support consideration matter by COAS in order convoke consultative meeting FonMins under Rio treaty. Dept informed him we are considering matter but endeavored discourage idea FonMins meeting. (See Depcirtel Aug 5, 4 a.m.⁴) copy memo conversation follows.²

ACHESON

¹ In a circular telegram dated August 19.

² Not printed.

³ Luis Francisco Thomen.

⁴ See footnote 3, to the circular telegram, August 4, p. 454.

810.00/9-249

Memorandum by the Assistant Chief of the Division of Special Inter-American Affairs (Monsma) to the Deputy Assistant Secretary of State for American Republic Affairs (Barber)

[Extract]

CONFIDENTIAL

[WASHINGTON,] September 2, 1949.

Peace Committee Consideration of Caribbean Situation

The Inter-American Peace Committee has held four meetings on the Caribbean situation (August 18, 26, 29 and September 2). To a very large extent the meetings have been taken up with discussion of procedural details relating to the competence of the Committee, the method for dealing with the replies to its request of August 4 for information and suggestions, and the question of whether the meetings should be open or closed. The only replies of any substance are those from the U.S., the Dominican Republic and Cuba, that of Cuba being composed mostly of abstractions.

On August 29 Juan Garcia Rodriguez, one of the leaders of the Caribbean Legion, sent a telegram from Habana to Chairman Quintanilla, offering to appear before the Committee. The meeting of September 2 was largely devoted to discussion of whether this telegram should be replied to, acknowledged, or ignored. Mr. Daniels took the view, on a number of grounds, that the telegram should not be officially acknowledged or replied to, but indicated that it would be interesting if the government of Cuba could forward to the Peace Committee any information it might obtain from Rodriguez. It was finally agreed that a simple acknowledgment would be sent by the Secretary of the Committee. After it became clear that the U.S. memorandum of August 18 had gotten into the hands of the press, Amb. Daniels inquired if the Committee would care to release the memorandum to the press. The Committee expressed the view that this would be desirable—with no dissent—and so it was agreed; and after the meeting the memorandum was handed by the Secretary of the Committee to the press representatives who were present (AP and UP).¹

At the meeting of September 2, the Committee also agreed to have an informal meeting on September 5, at the home of Ambassador Accioly,² with Amb. Gonzalez Arévalo, who has recently been designated Foreign Minister of Guatemala.

¹ The text of the memorandum is printed in the Department of State *Bulletin*, September 26, 1949, p. 450.

² Hildebrando Accioly, Brazilian Representative to the OAS.

710 Peace/9-549

*Memorandum by the Assistant Chief of the Division of Special
Inter-American Affairs (Jamison)*

CONFIDENTIAL

[WASHINGTON, September 5, 1949.]

An informal meeting of the Inter-American Peace Committee was held on September 5, 1949 at the home of Ambassador Accioly. All of the members of the Peace Committee were present, together with Ambassador Gonzalez Arévalo of Guatemala, who will leave soon to become the Foreign Minister of that country. The discussion covered a wide range of topics in connection with the Peace Committee's examination of the Caribbean situation, but the following stand out as significant aspects of the meeting:

(1) Gonzalez Arévalo ventured the assurance that he would not condone or support activities of revolutionary groups.

(2) Gonzalez Arévalo raised again the question of the competence of the Committee to examine into a situation in which there was not a clear conflict between two or more parties. He insisted that since no direct accusation had been made by any government, specifically against the Guatemalan Government, it could not be said that any conflict exists. Furthermore he said that even if the Dominican Government asserted that there was a conflict, Guatemala would not agree.

(3) Ambassador Güell reiterated the Cuban view that the Committee must approach the examination of the problem from the hemispheric viewpoint, and that any of its conclusions must combine clearly the principle of non-intervention and that of democratic government. This produced the most lively discussion, the chief result of which seemed to be that the other four members of the Committee were clearly agreed that it was the Committee's business to deal with problems arising from a violation of the duty of non-intervention, but that the Committee would be going outside its competence if it attempted to apply standards of democratic government. It was pointed out by Ambassador Daniels that democratic principles were certain to suffer if there continued to be illegal international activities such as those carried on by the revolutionary groups in the Caribbean, with the apparent effort to justify such illegal activities in the name of "democracy".

It was of interest that the Argentine Representative readily agreed with and emphasized the view that the obligation of non-intervention applies with equal force throughout the hemisphere.

(4) Although possible formulae for achieving an amelioration of the Caribbean tensions, such as the possible simultaneous issuance of a declaration by Guatemala and the Dominican Republic (similar to that issued by Haiti and the Dominican Republic) were advanced, there was no indication that Gonzalez Arévalo was prepared to accept any formula or follow any clear line beyond his insistence that a conflict does not exist.

In spite of the fact that no progress appears to have been made in arriving at a formula for Peace Committee action, it is believed that

the meeting with Gonzalez Arévalo was highly useful, if only because of his becoming more fully informed as to (1) the reasons for the Peace Committee's dealing with the problem, and (2) the fact that tolerance of the illegal activities of the Caribbean Legion is an important cause of preoccupation among American governments.

810.00/9-849

*Memorandum of Conversation, by Mr. Eugene Desvernine of the
Division of Caribbean Affairs*

CONFIDENTIAL

[WASHINGTON,] September 8, 1949.

Participants: Señor Dr. Oscar Gans, Ambassador of Cuba
ARA—Mr. Miller ¹
CRB—Mr. Desvernine

The Ambassador stated that during his recent visit to Cuba he had conveyed to his government the concern of our government regarding the Caribbean situation, as expressed to the Ambassador in a recent conversation by Mr. Miller.

The Ambassador said that on instructions of his government he could again express assurances that Cuba would not become involved in any movement against the Dominican Republic or any other government. The Ambassador said that current rumors to the contrary are without foundation. He said that the only Cuban who is now connected with groups hostile to the government of the Dominican Republic is Eufemio Fernández. He described Fernández as a man who is honest and scrupulous in money matters, but a psychopathic case obsessed with the idea of combating oppression everywhere. The Ambassador said that Fernández and President Arévalo have had a falling-out, but he admitted that Fernández has been making periodic trips to Guatemala.

In commenting on reports of the Figueres-Arévalo-Prío axis in the Caribbean, the Ambassador stated that such reports were unfounded. He remarked that the possibility of collaboration between Figueres and Arévalo was very dim, since Figueres and Arévalo distrust each other. He admitted that at the time Costa Rica was invaded by the "Calderonistas" from Nicaragua,² Cuba had furnished arms to Figueres in order to combat the communists. When Arévalo heard of this, he made an urgent plea to Cuba for arms on the ground that he had to defend himself against a reportedly imminent domestic coup. Ambassador Gans remarked that the Cuban government has also sus-

¹ Edward G. Miller, Assistant Secretary of State for American Republic Affairs.

² Documentation on this subject is contained in the compilation on the position of the United States with regard to civil war in Costa Rica and incidents there involving armed forces from Nicaragua in *Foreign Relations, 1948*, volume ix.

pected that Arévalo made this plea at that particular time in the hope of preventing any arms aid by Cuba to Figueres.³

³ The text of a memorandum of conversation by Mr. Desvernine, dated September 30, concerning a meeting involving the same three principals read as follows:

"The Ambassador said that during his recent visit to Cuba he had ascertained that no revolutionary activity against the Trujillo or Somoza Governments is being currently undertaken. He quoted Eufemio Fernández as stating that any attempt to embark on any move of this nature for a period of at least one year would be absurd and out of the question." (810.00/9-3049)

710 Peace/9-1349

*Memorandum by the Assistant Chief of the Division of Special
Inter-American Affairs (Jamison)*

CONFIDENTIAL

[WASHINGTON, September 13, 1949.]

MEETING OF THE INTER-AMERICAN PEACE COMMITTEE, SEPTEMBER 13,
1949 AT THE PAN AMERICAN UNION

All members were present, Chairman Quintanilla presiding.

Chairman Quintanilla reported that he had been over the draft of the Committee's conclusions with both Ambassador Salazar of the Dominican Republic and Ambassador Gonzalez Arévalo of Guatemala on Saturday evening.¹ He reported that both expressed themselves as being in full agreement with the conclusions. He also reported that, in response to his informal intimation that a letter from the Guatemalan Government indicating its approval of the conclusions would be most helpful, Gonzalez Arévalo indicated that such a reply would be made. He reported further that he was under the impression from his conversation with Salazar that, barring the development of a new and definite movement against the Dominican Republic, that Government would not call for a Meeting of Consultation of Foreign Ministers. Quintanilla was felicitated on the achievements thus reported by Ambassador Accioly, a view which was thereupon seconded by all the other members of the Committee.

The Committee then considered each of the points in the draft conclusions, minor changes being made in a number of the articles. Ambassador Daniels emphasized again his understanding that Point (5) on propaganda should not be interpreted as implying that internal legislation of any country should be changed. The other members agreed. With reference to Point (13) in which the methods of pacific solution contained in the Pact of Bogotá are referred to, Mr. Daniels indicated that in view of the U.S. reservations to that particular treaty and the possibility that it would not be ratified by

¹ September 10, 1949.

the U.S.,² the language used did not imply U.S. approval of the Convention as it now stands. It was agreed that there was no such implication.

It was agreed that the conclusions would be approved and incorporated in an Acta Final at a public meeting at 11:30, September 14.³ It was furthermore agreed that the Acta Final including these conclusions would be sent to all the Representatives on the COAS, not as a report, since the Committee can only report to a Meeting of Consultation or an Inter-American Conference, but for their information. It was indicated that responses by governments indicating their approval of the conclusions would not be solicited but would nevertheless be welcomed.

² Concerning the unwillingness of the United States to ratify the Pact of Bogotá, see pp. 419 ff.

³ The text of the Acta Final is printed in *Annals*, 1949, p. 393 and in the Department of State *Bulletin*, October 31, 1949, p. 665.

Editorial Note

On September 19, 1949, Secretary of State Dean Acheson gave a major address on United States inter-American policy before the Pan American Society of the United States in New York, the text of which is printed in the Department of State *Bulletin*, September 26, 1949, page 462. In the course of his talk, Mr. Acheson said, in reference to the Caribbean region, that "plots and counter-plots" had brought the area at times to "a state of political turmoil", a situation which the United States condemned as "repugnant to the entire fabric of the inter-American system". He pledged the strongest efforts of the United States to combat aggression and plotting and to defend the peace of the hemisphere.

810.00/10-1949

The Ambassador in Cuba (Butler) to the Secretary of State

CONFIDENTIAL

HABANA, October 19, 1949.

No. 811

Subject: "General" Juan Rodriguez and others of the Caribbean Legion call at the Embassy. State the Legion no longer exists. Believe Trujillo will fall within 12 months or less, armed attack still under consideration. Ask for U.S. sympathy. Deliver two memoranda.

"General" Juan Rodriguez, Caribbean Legion leader; his son, Dr. Jose Horacio Rodriguez; the manager of the Hotel San Luis, Sr. Cruz

Alonso y Rodriguez and a Sr. Rafael Maceo (of doubtful background) called at the Embassy at 11 a. m. on October 18 at their own request. The conversation lasted about an hour and a half, but much of what they said has already been reported. In brief, they felt that Trujillo would fall within a period of twelve months or less and that a group of responsible persons should be ready to assume the direction of a temporary form of government (a "Junta") until such time as free elections could be held. The group felt that the man to head such a Junta was one of their own leaders, Sr. Angel Morales (reference Embassy's despatch No. 702, of September 16, 1949¹). "General" Rodriguez stated that he had no personal aspirations, but gave the impression he expected to be a power behind the throne.

Mr. Crain, who received the group, stated that if they thought Sr. Morales might be the next head of government in Santo Domingo, perhaps they might like to supply the Embassy with a brief biography of Sr. Morales for the Department's confidential information. This the group agreed to supply. Mr. Crain stated that as far as he was aware Sr. Trujillo was in good health and seemed to be provided with a loyal Army, and inquired as to the basis for their opinion that he would soon fall. They replied that, in fact, Sr. Trujillo was not in good health, but in very poor health; that he had murdered members of practically every family in Santo Domingo; that he was generally hated; that he was beginning to lose political control and that right now one of his men was in Cuba endeavoring to arrange matters so that he and members of Trujillo's "brain trust" would not be dealt with too harshly when the crash came. They added that the man in question was Sr. Arturo Despradel² (Mr. Bryant of the Embassy,³ who was present at the interview, states that the group suspects Despradel may be a Trujillo spy).

In connection with the statement that the group wanted the sympathy and cooperation of the United States, Mr. Crain stated that the sympathy of the United States for truly democratic governments was too well known to require any additional comment, as was its policy of non-intervention in the domestic affairs of other nations. Mr. Crain added that he would receive them any time they cared to call and that he would transmit to the Department of State any statements they might make. He added that although any material so transmitted would be treated on a confidential basis, the Government of the United States would not be committed in any way. "General" Rodriguez remarked that he understood Mr. Crain could not commit the United

¹ Not printed.

² A marginal note on the source text by Mr. Hauch reads:

"Former Foreign Minister and member of recent Dom. del. to IAPC hearings on Carib situation".

³ Robert J. Bryant, vice consul at Habana.

States to anything, but what he could not understand was the United States' tolerance of a hated and bloody dictator when by "just an indication of sympathy to the cause of patriots and believers in democracy, persons who had sacrificed everything in a fight for liberty and decency, the Trujillo regime would collapse like a spent bubble". Mr. Crain replied that if by tolerance of a regime the General meant recognition of that regime, he should know that United States' recognition of any government did not carry with it, per se, either approval or disapproval of the government in question. Dr. Rodriguez then indicated they would like the American Embassy in Ciudad Trujillo to spread word in a small way that the United States did not look with complete disfavor on enemies of Trujillo "as was done in the case of Martinez in El Salvador".⁴

In response to a little prodding, the group stated that the Caribbean Legion no longer existed "except in the persons of those present" and that, as a matter of fact, the term Caribbean Legion was a misnomer applied to it in Costa Rica. "General" Rodriguez declared that the only thing he was interested in was the establishment of a freely-elected government in Santo Domingo, and that he was prepared to sacrifice everything to that end, but that there were no immediate plans for armed attack, although they still had elements available for that purpose.

"General" Rodriguez spoke in favor of President Arévalo of Guatemala who, he said, was a man of the highest principles and completely non-Communist. He said the Cuban and Guatemalan governments were very friendly and that that accounted for the frequent visits such as that of the Cuban Minister of Education recently. He said that events in Central America had no connection with his own plans. ("General" Rodriguez' remarks about the reason for the frequent trips of prominent persons between Cuba and Guatemala are not believed to be sincere.) Cruz Alonso said that five persons implicated in the attempt to overthrow Arévalo were at his hotel—excepting one who had been wounded. He said these persons could not stay in Guatemala, but were available for service elsewhere.

"General" Rodriguez let his son (who gave a good impression) do most of the talking, but occasionally burst into the conversation, invariably rising to his feet to speak when he could no longer contain his obviously passionate convictions. In spite of this, the "General" also made a good impression. Cruz Alonso appeared to be a smooth but unwashed character who protested the altruistic aims of the group. He gave the impression of being a complete opportunist, as did Sr. Maceo.

⁴ For documentation on the overthrow of President Maximiliano Hernández Martínez of El Salvador, see *Foreign Relations*, 1944, vol. VII, pp. 1087 ff.

Maceo, especially, impressed Mr. Crain as being an unsavory and unscrupulous character.

Before their departure, "General" Rodriguez gave Mr. Crain a memorandum entitled " 'The Caribbean Legion': Its Origin, Demobilization and Principal Causes for the Fantastic Commentaries That Have Been Made Concerning it." They also presented an eight-page memorandum, written by young Rodriguez, on the relationship between dictatorship and communism and the danger that continued tolerance of the Trujillo Tyranny will breed communism and force Latin America to turn away from the United States. These memoranda are enclosed.⁵

The memorandum concerning the Legion was signed by "General" Juan Rodriguez and recounted the Legion's activities in Costa Rica and its dissolution there in late 1948. It stated that the fantastic rumors regarding the Legion were propagated by Trujillo, Somoza and Carías⁶ in an effort to discredit a patriotic movement particularly in the United States. It said this was the reason the dictators falsely branded the movement as communistic. The memorandum said that many people in various countries who called themselves Legionnaires were completely unknown to the leaders. It stated that while the Legion did not exist, there did exist a "Movement for the Liberation of the Caribbean" composed of free men of America who loved democracy, liberty and justice, and that it was this movement that Trujillo feared. In the memorandum Rodriguez said he had left Santo Domingo because he did not want to live there "on his knees" indifferent to the tragedy of his country, and that his purpose was to establish a genuinely democratic regime that would return to the Dominican people the rights and liberties of which they had been deprived, and to reestablish respect for life and human dignity.

After the departure of the group, Sr. Maceo returned, saying that they had been "very pleased" with the interview and they planned to hold up any armed expedition in the hope of receiving some word of encouragement from the United States. He said the group had not planned to attack Santo Domingo in any event for at least three months, but that the group fully intended to do so at some time in the future—and had the means with which to carry out the undertaking. Mr. Crain again told Sr. Maceo that there was no reason for the group to expect any word of encouragement from the United States and that the Embassy limited itself to passing on to Washington statements volunteered by the group in question; that, in fact, there was no reason to believe that any reply from Washington would be forthcoming. Mr. Crain told Sr. Maceo that the Rodriguez group should not supply information to the Embassy under the impression

⁵ Not printed.

⁶ Tiburcio Carías Andino, former President of Honduras.

that that would result in any favorable action on the part of the United States. On the next day, 19 October, Sr. Maceo telephoned saying the group understood the Embassy's position perfectly, but that it would nevertheless be back next week for another talk.⁷

Comment—

If the foregoing is taken at face value, it would appear that the Rodriguez group has by no means abandoned plans for another attempt to overthrow Trujillo. The group appeared confident that Trujillo would, in one way or another, be out in from three to six months. Although the group stated it had "elements" for an armed attack, it did not indicate what such elements consisted of, nor does the Embassy have any information on this point.

For the Ambassador:

EARL T. CRAIN

First Secretary of Embassy

⁷ No subsequent report of a conversation similar to that contained in the above document has been found, although the Embassy in Habana did receive several later communications from the Rodriguez group which were transmitted to the Department in despatches No. 841, October 26 (111.20A/10-2649), and No. 897, November 9 (839.00/11-949), neither printed.

737.39/12-1449 : Telegram

The Secretary of State to the Embassy in Cuba

SECRET

WASHINGTON, December 16, 1949—7 p. m.

481. Cuban Chargé and Dominican Amb called on Asst Sec Miller today 2:30 p. m. and 3:45 p. m., respectively, at Miller's request in order receive oral expression our great concern Caribbean situation, especially following Congress speech Trujillo. Urtel 428 Dec. 14.¹

¹ Not printed. The telegram reported on adverse Cuban reaction to President Trujillo's address on December 12 before the Dominican Congress wherein he requested special war-making powers for actions which might prove necessary against external revolutionary movements and countries which tolerated or assisted them.

At his news conference on December 14, Secretary of State Acheson made a statement, in reference to the reports on President Trujillo's address, which read in part as follows:

" . . . This Government deplores the action of the Government of the Dominican Republic in having brought up the possibility of the use of armed force for the purpose of 'war'. It is our profound conviction that the use of this term is entirely inappropriate in relation to any question bearing upon the relations between the members of our American community of nations. It is our view that proper procedures exist within the inter-American system for dealing with situations which threaten the peace and for repelling aggression against any of the American republics from any source. We hope that the statement of the Dominican government does not mean that it intends to ignore further reference of its charges to inter-American consideration. Such failure to utilize inter-American procedures could only have a provocative and non-beneficial effect on the international relations of the Caribbean area. . . ." (Department of State *Bulletin*, December 26, 1949, p. 990.)

Miller emphasized conversation with both Meyer and Thomen we sincerely hope both Govts endeavor settle differences bilateral basis and every effort made with objective that tension subside. Amb Daniels also present stated Peace Comite considering what action, if any, to take in matter, but no decision reached re formal handling dispute by Comite. Meyer expressed doubt desire Cuban Govt participate bilateral discussions although Thomen stated believed his Govt fully prepared discuss bilateral basis preferably in Wash and expressed willingness seek instrs. Meyer delivered note² expressing his Govt's view IA Peace Comite shld consider situation created by Dom action. Miller suggested informal mtg next week himself, Meyer and Thomen to prepare way for further mtgs here between the two dipl reps. Understand they will refer proposal their Govts and inform Dept next week.

ACHESON

² Not printed.

810.00/12-2249

*Memorandum by the United States Representative to the Organization of American States (Daniels)*¹

RESTRICTED

[WASHINGTON,] December 22, 1949.

This morning Mr. Linares, Chargé d'Affaires of Guatemala, spoke to me in regard to the presentation by Cuba of the Caribbean situation to the Inter-American Peace Committee. He said that he had been in touch with Foreign Minister Gonzalez Arévalo, and was under instructions to keep the latter currently informed. He referred to his presence at the last meeting of the Peace Committee on this subject, pointing out that he had not said anything during the whole meeting but was there merely as observer. He asked if I thought the matter would be referred to the COAS under the Rio Treaty.

I said I felt quite sure that the Inter-American Peace Committee would not refer the matter to the COAS under present conditions, although I was unable to predict what the Cuban representative might do. I added the expression of my own opinion that if, by any chance the Cuban representative were to submit the matter to the Council seeking invocation of the Rio Treaty, probably the majority of the Council would not support such action by the Council. I also said I thought the Cuban representative was going too far in attempting to capitalize, through inter-American organizations and for political reasons, on the message of President Trujillo.

Linares seemed to be in entire agreement with the foregoing and added that he had no intention of involving Guatemala in the debate

¹ Addressed to the Office of Middle American Affairs.

unless, by any chance, the Dominican representative were to make charges against Guatemala. He said that in this case he would, of course, have to defend his country's position.

I said I hoped this contingency would not arise, and agreed with him that Guatemala was doing well in staying out of the present argument.²

² On December 29, the Inter-American Peace Committee completed action on the Cuban complaint by approving a communication to the Dominican Government calling attention to the Rio Treaty and U.N. Charter and pointing out that all American Governments had condemned war and were obligated not to resort to the threat or use of force in any manner incompatible with their international obligations and to settle their disputes by peaceful means (839.00/12-3049).

838.00/12-2349 : Telegram

The Secretary of State to the Embassy in the Dominican Republic

SECRET

WASHINGTON, December 27, 1949—7 p. m.

261. Dept views with serious concern increasing reports activities such as described in tel 253 Dec 23 from Port-au-Prince¹ (rept by Dept to Ciudad Trujillo). Request you inf Pres Trujillo this Govt scrutinizing these accumulating rumors with considerable care and using every facility at command to ascertain true facts. Meanwhile this Govt assumes that in conformity with sense of declaration of June 9 neither Dom Govt nor Haitian Govt will directly or indirectly encourage or tolerate any activities which have purpose disturbing domestic peace its neighbor. You may inf Pres AmEmb Port-au-Prince being instructed convey identical message Pres Estimé.

ACHESON

¹ Not printed. The telegram reported some details of a recent abortive attempt to overthrow the Government of President Estimé by a Haitian group allegedly backed by Dominican officials (838.00/12-2349). On January 3, 1950, the Haitian Government presented details of the plot while formally requesting convocation of the Organ of Consultation of the OAS to consider the threat to peace posed by the Dominican Republic; see *Annals*, 1950, pp. 135-138. For the Dominican response, see *ibid.*, pp. 138-141. The Council of the OAS, on January 6, 1950, agreed to convoke the Organ of Consultation.

POLICY OF THE UNITED STATES REGARDING THE PROVISION OF MILITARY ASSISTANCE AND ARMAMENTS TO THE AMERICAN REPUBLICS ¹

Editorial Note

In a letter of June 10 to Secretary of State Acheson, Secretary of Defense Louis Johnson referred to problems encountered by the Department of the Army in attempting to provide military equipment to the American Republics, as requested, and stated that it was considered that the Department had provided military assistance "to the limit of its available means under present conditions." After mentioning (*a*) efforts to allow these countries to participate in Army procurement programs from commercial sources and (*b*) related activities by the Departments of the Air Force and the Navy, Mr. Johnson stated that favorable action by the Congress on the proposed Foreign Military Assistance legislation would provide a more satisfactory legal basis for a new Latin American assistance program, although it was anticipated that "financial and priority considerations" would severely limit such aid. Mr. Johnson suggested that any further matters of this sort requiring inter-agency coordination be channeled through the Foreign Assistance Correlation Committee. (810.24/6-1049)

Tables listing sales and transfers of military equipment to foreign countries including those in the Western Hemisphere, from V-J Day until August 1949, are printed in the Department of State *Bulletin*, September 26, 1949, pages 480-481.

Other documentation relating to United States policy concerning military collaboration under the Inter-American Treaty of Reciprocal Assistance, not available for inclusion in this volume, is scheduled for inclusion in a subsequent volume of *Foreign Relations*.

¹ For previous documentation, see *Foreign Relations*, 1948, volume ix, pages 207 ff. For documentation on the overall United States military assistance program and on United States policy with respect to the acquisition of foreign military base rights, see volume i.

**AGREEMENTS PROVIDING FOR AIR FORCE, MILITARY,
AND NAVAL MISSIONS IN CERTAIN AMERICAN RE-
PUBLICS: COLOMBIA, ECUADOR, EL SALVADOR, HAITI,
MEXICO, PANAMA, AND PERU**

**AGREEMENT BETWEEN THE UNITED STATES AND COLOMBIA RE-
SPECTING AN AIR FORCE MISSION TO COLOMBIA, SIGNED
FEBRUARY 21, 1949**

[For text of the agreement, signed at Washington, see Department of State Treaties and Other International Acts Series (TIAS) No. 1893, or 63 Stat. (pt. 3) 2345.]

**AGREEMENT BETWEEN THE UNITED STATES AND COLOMBIA RE-
SPECTING AN ARMY MISSION TO COLOMBIA, SIGNED FEBRUARY 21,
1949**

[For text of the Agreement, signed at Washington, see Department of State Treaties and Other International Acts Series (TIAS) No. 1892, or 63 Stat. (pt. 3) 2334.]

**AGREEMENT BETWEEN THE UNITED STATES AND ECUADOR
RESPECTING A MILITARY AVIATION MISSION TO ECUADOR**

[For text of the Agreement, extending and amending the Agreement of December 12, 1940, effected by exchange of notes, signed at Washington on March 23 and May 17, 1949, operative retroactively December 12, 1948, see Department of State Treaties and Other International Acts Series (TIAS) No. 1942, or 63 Stat. (pt. 3) 2543.]

AGREEMENT RELATING TO A NAVAL MISSION TO ECUADOR

[For text of the Agreement, extending and amending the Agreement of December 12, 1940, effected by exchange of notes, signed at Washington on January 27 and February 4, 1949, entered into force February 4, 1949, operative retroactively December 12, 1948, see Department of State Treaties and Other International Acts Series (TIAS) No. 1944, or 63 Stat. (pt. 3) 2547.]

**AGREEMENT BETWEEN THE UNITED STATES AND EL SALVADOR
EXTENDING THE AGREEMENT OF MAY 21, 1943, PROVIDING FOR THE
DETAIL OF A MILITARY OFFICER TO SERVE AS DIRECTOR OF THE
MILITARY SCHOOL AND OF THE MILITARY ACADEMY OF EL
SALVADOR**

[For text of the original Agreement, signed at San Salvador on May 21, 1943, see Department of State Executive Agreement Series (EAS) 328, or 57 Stat. (pt. 2) 1000. For text of Agreement extending for a period of one year the original Agreement, effected by exchange of notes dated April 27 and June 20, 1949, effective May 21, 1949, see Department of State file 816.223/4-2749.]

**AGREEMENT BETWEEN THE UNITED STATES AND HAITI RESPECTING
A UNITED STATES AIR FORCE MISSION TO HAITI, SIGNED
JANUARY 4, 1949**

[For text of the Agreement, signed at Washington, see Department of State Treaties and Other International Acts Series (TIAS) No. 1863, or 63 Stat. (pt. 3) 2311.]

**AGREEMENT BETWEEN THE UNITED STATES AND HAITI RESPECTING
A UNITED STATES NAVAL MISSION TO HAITI, SIGNED APRIL 14, 1949**

[For text of the Agreement, signed at Washington, see Department of State Treaties and Other International Acts Series (TIAS) No. 1907, or 63 Stat. (pt. 3) 2386.]

**AGREEMENT BETWEEN THE UNITED STATES AND MEXICO
RESPECTING AIR FORCE LIAISON OFFICERS, SIGNED JULY 5, 1949**

[For text of the Agreement, signed at Washington, see Department of State Treaties and Other International Acts Series (TIAS) No. 1947, or 63 Stat. (pt. 3) 2584.]

**AGREEMENT BETWEEN THE UNITED STATES AND PANAMA RELATING
TO A UNITED STATES MILITARY MISSION TO PANAMA**

[For text of the original Agreement, signed at Washington on July 7, 1942, providing for the detail of a United States Military Officer to serve as advisor to the Ministry of Foreign Affairs of Panama, see Department of State Executive Agreement Series (EAS) 258, or 56 Stat. (pt. 2) 1545. For text of the Agreement extending for a period of one year the original Agreement, effected by exchange of notes dated January 24 and April 1, 1949, entered into force on July 7, 1949, see Department of State file 819.62221/1-2449.]

**AGREEMENT BETWEEN THE UNITED STATES AND PERU RESPECTING
AN ARMY MISSION TO PERU, SIGNED JUNE 20, 1949**

[For text of the Agreement, signed at Washington, see Department of State Treaties and Other International Acts Series (TIAS) No. 1937, or 63 Stat. (pt. 3) 2522.]

ARGENTINA

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND ARGENTINA¹

611.3531/1-449

The Ambassador in Argentina (Bruce) to the Secretary of State

[Extract]

SECRET

BUENOS AIRES, January 4, 1949.

No. 7

Situation in Argentina

Conditions in Argentina have deteriorated during recent months to such an extent that it is impossible to see a solution under the present set-up. Maroglio, President of the Central Bank, went to the United States recently with some fairly definite plans for increasing exports to the United States, and a vague obscure idea of obtaining a large credit which would not be a "credit". Miranda, President of the Economic Council, has stated several times publicly that he would "cut off his hands" rather than have any part in obtaining a foreign loan. President Perón² has been almost as categoric in denouncing the idea of a loan to Argentina. If the time comes when Miranda has to make a decision on the matter himself, it is quite possible that he might take a different stand. They claim that Argentina has no external debt. According to their figures, this is the case. But they choose to ignore the fact that Argentina owes probably in excess of 300,000,000 dollars to United States banks for letters of credit and other advances. Argentina's dollar shortage is really acute. They are finding difficulty in meeting their current requirements for even the most pressing necessities, such as petroleum. In spite of this, there is no attempt at rationing and so far they have managed to maintain a fairly constant supply.

Upon Maroglio's return from the United States, rumors immediately began to circulate that he had been fired. He had his private secretary send out Christmas cards saying that he was absent from the city "taking a rest." His position appears to be precarious, if not hopeless.

¹ Continued from *Foreign Relations*, 1948, vol. ix, pp. 279-310.

² Argentine President Juan D. Perón.

Miranda appears to have the ring to himself for the moment.³ He frequently talks about going to England but is probably afraid to leave the country as his "pals" might "cut his throat" while he was away. He has privately admitted such fears. Miranda told an officer of the Embassy several months ago that he would fulfill Argentina's side of the Andes Agreement⁴ by December 1, 1948, and then make England pay for Argentine food in dollars. Now, it appears that Argentina is either unable or unwilling to ship the amount of meat called for under the Agreement by the end of March, 1949. So far as can be seen, Miranda is making no effort to increase exports to the United States. This Embassy and others, especially the packing houses, have made constructive suggestions and have clearly demonstrated how exports of a number of products to the United States could be increased. The suggestions have been listened to with apparent interest, but no action has been taken.

Miranda, Perón and several others in the present administration have based their entire policy on the assumption that war between the United States and Russia was inevitable. Argentina would side with the United States and dollars would be forthcoming for Argentine products at fancy prices. Failure of this catastrophe to take place has thrown their plans out of kilter. Miranda and Perón are anxious to buy machinery and equipment from the United States for their industrial program. England, France, and other countries owe large amounts to Argentina but their currencies cannot be converted into dollars and they are unable to supply the manufactured products desired by Argentina. It must be said to Argentina's credit that while we were preparing to put the Marshall Plan into motion, it shipped enormous quantities of foodstuffs to European and other countries without receiving payment.

Bramuglia⁵ added greatly to his own prestige and to that of Argentina by his statesman-like actions at the recent United Nations meeting in Paris. Obviously under orders from the Presidency, the local pro-Perón press carefully refrained from any mention of

³ Both Mr. Maroglio and Mr. Miranda resigned their positions later in January (telegram 68, January 19, from Buenos Aires and airgrams 38 and 39, January 21, from Buenos Aires; 835.002/1-1949, 835.002/1-2149, 711.35/1-2149; none printed).

⁴ Reference is to the United Kingdom-Argentine Trade and Payments Agreement, February 12, 1948, which provided for payment by Argentina for purchase of the British-owned railways in Argentina, the disposition of Argentine monetary balances blocked in London during World War II, and purchase by the United Kingdom of Argentine meat and agricultural products in return for Argentine purchase of petroleum, coal, steel, and various chemical products. The text is printed in Br. Cmd. 7346, Argentina No. 1 (1948): *Agreement on Trade and Payments Between the Government of the United Kingdom and the Government of the Argentine Republic*.

⁵ Juan Atilio Bramuglia, Argentine Minister for Foreign Affairs and Worship.

Bramuglia, to the point of appearing childish. No sooner had Bramuglia returned to Argentina from the United States than Evita⁶ demanded his head. Bramuglia's success at Paris and his visit to Washington was clearly too much for Evita to swallow without protest. It is reliably reported that Perón and others prevailed on her not to demand Bramuglia's resignation and she agreed to let it go for three or four months. Bramuglia runs the Foreign Office without her help and it is generally thought that he opposed her trip to Europe in 1947, and at least failed to help in plans for getting [her?] invited to Washington. Bramuglia is head and shoulders above anyone else in the present administration and he is the only one who has anything like a reasonable outlook on foreign affairs. He has the respect of most Argentines and his departure from the Cabinet probably would place the administration in real danger of being overthrown. While the military elements are not known to be strong partisans of Bramuglia, they hate Miranda and Maroglio and look upon Bramuglia as the one honest and outstanding member of the Cabinet. Bramuglia is the only Cabinet member who can be said to enjoy widespread esteem. In view of Evita's attitude, it seems that his future path is likely to be strewn with hurdles.

What Can We Do?

In the face of this pessimistic picture, is there anything we can do?

We can hardly force a loan on Argentina. We cannot make sufficient dollar purchases to cure the present acute exchange shortage. United States firms cannot be expected to invest heavily in Argentina at a time when the local government appears to be making efforts to discourage foreign investments.

During recent years our policy towards Argentina has undergone so many changes—some of them in the form of a violent about-face—that it has been impossible for the wisest of our own people, much less for Argentines, to know just where we stood.

We might try to define our policy clearly to Perón and suggest our platform to him as a basis for an understanding. The following points as a statement of our policy may be worth consideration :

1. We believe in extending equal treatment to all American republics and expect to follow this policy.
2. Restate (ad nauseum) the principle of nonintervention in the affairs of other countries.
3. E.C.A. would authorize European countries to make purchases in the next few weeks of at least \$100,000,000 in dollars and undertake to make further substantial purchases in the near future.
4. The United States is disposed to aid in the development of the resources and the industrialization of the other American republics

⁶ Eva Perón, wife of President Perón.

on a sound economic basis. The extension of reasonable credits, the lending of technical assistance, and cooperation between all the countries will be necessary for the full development of the Americas.

5. Credits by the Export-Import Bank for the purchase of machinery and equipment on a sound basis can be encouraged.

6. Each American country must give in its Constitution and laws adequate protection for foreign investments. This means freedom from threats of confiscation and fair and equal access to the legal remedies provided by law. Foreign capital has no right to more favorable treatment than that extended to local capital.

7. Development of the American republics has been retarded by unstable political conditions, the lack of transportation and communications, lack of sufficient technical help, shortages of power, and many other factors which contribute to a higher standard of living for which each country is striving.

8. Many of the smaller countries do not possess the resources and other elements necessary for a higher standard of living and prosperity. Consideration should be given to the creation of customs unions or federations which would constitute a group with sufficient resources to make real prosperity a possibility. This point would require much thought and study.

9. The United States would be disposed, through the Eximbank and by other means, to assist in the building of highways and otherwise improving transportation and communication between the various countries.

10. The United States believes in freedom of speech, freedom of the press and radio, and freedom of trade and commerce, and is convinced that real peace and prosperity in the Americas cannot be achieved until these ends are reached.

11. With specific reference to Argentina, the United States is prepared to begin a study with Argentina of the means of increasing exports from this country to the United States and thus help to alleviate the present acute dollar shortage. The help of American business in Buenos Aires and the United States can be obtained for this purpose.

12. Argentina should give the United States assurance that remittances can be made when dollars become available and that American business here will be given fair treatment.

13. A careful study of the possibility of increasing tourist travel from the United States and the carrying out of constructive ideas should contribute substantially to the flow of dollars to this country.

14. Argentina, the United States, and the other countries should pledge themselves not to try to influence internal political developments in other countries and to use all their influence to encourage constitutional governments and orderly changes in administration through well recognized democratic methods.

No doubt other points could be elaborated, but it should be clear to all of us that it is necessary to clarify our policy towards the other American nations and especially as regards Argentina. Lack of agreement between the United States and Argentina has been responsible to a greater degree than any other single factor for our failure during

recent years to make the fullest possible progress in the development of the inter-American system. Peace and prosperity in this hemisphere are just as vital to each and every nation as they are to the United States.

Our policy towards Argentina has not been clear. If this Embassy could be given authority to speak clearly and frankly to Perón and make him understand our position, a great step could be taken towards placing our relations with Argentina on a permanent and sound basis. Perón understands that he needs the help and cooperation of the United States and if we can offer them to him in a manner which Argentina can find acceptable, we could possibly write our own ticket, especially in view of Argentina's present precarious financial and economic situation and its real need for help and cooperation from the United States.

Anything we undertake along this line will be fraught with certain hazards, including opposition from other American countries, but we should realize that we can never have real solidarity in this part of the world until we reach a general understanding with Argentina founded on a policy of enlightened self-interest. Such a task will be extremely difficult, but it is worth undertaking. We might review some of the accomplishments of a real application of the good neighbor policy, at times in the face of great difficulties. For a time, our relations with Mexico were fully as complicated and difficult as they have ever been with Argentina. A way was found to bring about a general improvement.

Santa Claus Doesn't Live Here Any More

We probably do not even yet sufficiently realize the preponderant part we must play in leadership and that the role of the strongest and most prosperous nation in the world is generally not a popular one. We cannot hope to please all of twenty American republics and it is much more important for us to adopt a firm policy based on what we are convinced is best for us and for our neighbors. History will judge us on whether our policies are sound and wise and not on whether they pleased the governments of twenty other countries.

The other American countries do not always love us. When we hear expressions of gratitude, they are usually the voicing of the fervent hope of more favors to come. It is notorious that the "outs" always love us more than do the "ins". We should clearly state the principle that indiscriminate loans are as a general rule good neither for the lender nor for the borrower. However, we are disposed to extend credits whenever possible for specific projects on a self-liquidating basis.

If we carry out a wise publicity program in Latin America, we can accomplish much to create better relations. A sound and sustained

publicity campaign during the war and immediately afterwards in Mexico really did wonders in influencing opinion in favor of the United States and greatly facilitated Mexico's task in cooperating with us. We should submerge them with propaganda in favor of democratic elections, freedom of speech and press, and removal of artificial restrictions on trade and commerce. We should emphasize that we are ready to help and without saying so make it clear that we are not prepared to play Santa Claus.

Respectfully yours,

For the Ambassador:

GUY W. RAY

Minister-Counselor

840.50 Recovery/1-2549

The Chief of the Division of River Plate Affairs (Tewksbury) to the Ambassador in Argentina (Bruce)

SECRET

WASHINGTON, January 25, 1949.

DEAR JIM: Although you will note from the letters exchanged between Mr. Lovett¹ and Howard Bruce,² dated December 20, 1948 and January 10, 1949 respectively, and enclosed under a concurrent instruction, that we have made good use of your telegram No. 1153 dated November 26, 1948 and other related communications, I am only now able to send the memorandum which you requested on ECA discrimination against Argentina.³

As I stated in my letter of January 4,⁴ we have good reason to believe that deliberate discrimination by ECA is at an end. You may feel confident that both ECA and the Department will henceforth be on the watch for inadvertent discrimination. I understand from Mr. Labouisse,⁵ who handled the recent discussions with ECA, that Howard Bruce has been most cooperative, confirming your impression that ECA staff officers had led ECA into policies and procedures without the knowledge or approval of its highest officials. Thus the enclosed memorandum serves to complete the record, and we can hold it in reserve in case we should ever need it in the future.

Now that this situation has been corrected, I hope that both ECA and the Department will be able to devote their attention to the dual

¹ Robert Lovett, formerly Under Secretary of State.

² Deputy Administrator of the Economic Cooperation Administration.

³ None of the documents referred to in this paragraph are printed. The question of off-shore purchases in Argentina financed by ECA was discussed during the visit of Argentine Foreign Minister Bramuglia to the United States in December 1948; see the compilation on United States Political and Economic Relations with Argentina in *Foreign Relations*, 1948, volume ix.

⁴ Not printed.

⁵ Henry R. Labouisse, Coordinator of Foreign Aid and Assistance in the Department of State.

problem of counteracting the impressions unfortunately created in Argentina and in Europe by the repeated discriminations, and of seizing or making opportunities to authorize purchases in Argentina. While the present emphasis is on hides, I hope that ECA can also begin to authorize purchases of edible oils and possibly other products.

We must not be overly confident that ECA funds will flow soon or in considerable quantities to Argentina. In addition to the legislative limitations which continue to be applicable under the revised policy statement of October, certain European countries evince reluctance, probably as a result of Argentina's previous or present economic policies, to purchase in Argentina what can be obtained at the same price elsewhere. It is further evident that, as Argentina is obliged to turn from the U.S. to Europe for many of her essential imports, European trade deficits with Argentina will be smaller and ECA financing less necessary. In the coming year participating countries will probably be able to increase their export of goods regarded by Argentina as essential. Our own grain surpluses are likely to be very great. Canada continues to accord Great Britain a price on wheat below that of the U.S. ECA anticipates that Belgium, France, Italy, The Netherlands, Sweden, and probably the U.K. will not request ECA financing in Argentina in 1949. The ERP program as a whole envisages that ECA will finance for each successive year a decreasing proportion of agricultural products and an increasing proportion of industrial products. All of these factors obviously suggest that Argentina's loss is irreparable, and that ECA financing at best in Argentina in 1949 will be small in terms of Argentine needs. A change in world or U.S. crop prospects would, of course, alter the situation.

Since European countries exercise considerable discretion in deciding on sources of supply in Latin America, Argentina should attempt to encourage purchases in Argentina by all legitimate means. ECA will authorize purchases in Latin America, but will not require that a participating country make purchases in Argentina. I think that it is important to us, in this connection, that Argentina understand beyond a shadow of a doubt that ECA will authorize purchases in Latin America including Argentina, but that the European country will decide whether or not the purchase is made in Argentina or elsewhere. ECA has, for example, actually urged France to buy with ECA or non-ECA dollars in Argentina but France has refused. While we cannot prevent a participating country from deciding to "strike back" at Argentina, I hope that we will not have to bear the responsibility in Argentina for such a decision.

Although I regret that this letter is running to such length, I must call to your attention, concerning the enclosed memorandum, the fol-

lowing considerations in the light of which the memorandum was prepared and in the light of which it must be read :

1. The discriminations as listed are *apparent* discriminations. They were not invariably discussed with ECA, and ECA's reaction or interpretation is not always definitely known. The officers of RPA have, however, regarded as discriminatory all the instances which are cited.

2. The whole ERP is in a very real sense discriminatory against Latin America. While an attempt is made to confine this discrimination within the bounds of necessity and to balance it with programs assisting Latin America, some discrimination is inherent and unavoidable.

3. In connection with the agricultural purchases mentioned in paragraph 9, Great Britain was able to purchase wheat in Canada at a price below the U.S. price.

4. In some instances of discrimination, the *apparent* discrimination was subsequently eliminated as a result of protest from the Department.

5. Apart from the discrimination against Latin America inherent in ERP, there is the discrimination in favor of the U.S. explicit or implicit in ECA legislation. In this respect, the significance of "effective demand" is important. Although the participating nations had great demand for Argentine products during 1948, this demand was effective only to the extent that these countries could sell their exports or obtain credits in Argentina, or to the extent that ECA was prepared to finance their purchases. Where the demand was for products of which the U.S. had exportable surpluses, both legislation and administration tended to render that demand effective only in the U.S. The effect was that the U.S. disposed of its grain surpluses and Argentina did not.

The memorandum paints a picture which is bitter indeed for us who seek to create trust, confidence, and mutual understanding in the relations between Argentina and the U.S. While the loss in dollars to Argentina is irreparable, I am still hopeful that the loss to the U.S. of Argentine confidence can be repaired. If the economic situation does lead to catastrophe and Argentina must seek scapegoats, I believe that she should direct at least some of the anathema against countries other than the U.S.

We will assist you in any manner that we can to convince Argentina that no discrimination has existed or will exist in the authorization of offshore procurement, and to replace whatever political casualty we may have sustained. We are reading Guy Ray's despatch No. 7 of January 4, 1949 in this light and will respond as soon as opinions and policies have crystallized.

Sincerely yours,

HOWARD H. TEWKSBURY

835.00/2-949 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, February 9, 1949—5 p. m.

145. Usually reliable source reports Perón stalked out of meeting of government officials yesterday threatening resign and has not appeared at office today. Perón known to be greatly worried financial-economic situation. Two well-known local persons also called on me today stating Bramuglia, Ares,¹ and Gomez Morales,² all threatening resign, ground existing financial economic chaos. Embassy has heard such rumors many times recently, but in view report from usually dependable source believed Department should be informed. We think little likelihood Perón resigning, but situation is tense and administration deeply concerned over present situation. . . .

RAY

¹ Roberto Ares, Argentine Minister of Economy.

² Alfredo Gómez Morales, Argentine Minister of Finance and President of the Central Bank.

840.50 Recovery/2-2449 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, February 24, 1949—6 p. m.

196. For James Bruce.¹

1. Bramuglia understood following conversations Howard Bruce and Lovett,² ECA would buy \$100 million foodstuffs Argentina near future and he so informed Perón. Both now extremely anxious have definite statement from ECA re purchases here. Perón and Bramuglia have urged me request you obtain statement ECA policy this point and inform me.

2. Bramuglia and Ares worried over present financial situation here and anxious find solution first of Argentina clearing up outstanding obligations to US banks and exporters.³ They expressed confidence no insurmountable difficulties exist but say our friendly conversations here have not produced concrete results. They urge appointment small committee headed by you or me and sending one or

¹ U.S. Ambassador in Argentina, at that time in Washington for discussions.

² See footnote 3 to the letter from Tewksbury to Bruce, January 25, 1949, p. 478.

³ In telegram 190, February 23, from Buenos Aires, Mr. Ray reported: "When I asked Bramuglia recently if President was aware seriousness situation, Bramuglia replied with dry grin: 'Yes, he understands situation and he is scared'." (835.00/2-2349)

two experts from State Department or Commerce Department who could speak with authority and cooperate with us in solving present financial and economic difficulties between Argentina and US. They feel that with economic difficulties settled political matters would be easy. These officials and Perón now in frame of mind negotiate on reasonable basis and I think much could be accomplished here by small committee having necessary authority. Bramuglia and Ares mentioned appointment small committee local American businessmen for purpose consultation.

3. Ares added that Argentina would be disposed to begin immediately negotiation for a commercial convention or agreement with United States which would protect the interests of two countries including interests of American business in Argentina and practically any other matter which we might wish to include in the agreement or convention.

RAY

840.50 Recovery/2-2449 : Telegram

The Secretary of State to the Embassy in Argentina

CONFIDENTIAL

WASHINGTON, February 25, 1949—6 p. m.

US URGENT

143. From Bruce. As result long conference with Howard Bruce, there is clearly difference of opinion between Bruce and Bramuglia as to former's comment during interview in Dec (urtel 196, Feb 24). Howard Bruce states that in outlining ECA position he explained that early in 1948 financing of purchases in Arg reaching possibly 300 million was anticipated. Subsequent crop developments in US and Europe resulted in surpluses and prevented financing large offshore purchases by OEEC countries. While Bruce states he emphasized desire of ECA to find means of expanding financing in Arg no commitment of any kind nor indication as to probable purchases was made. Bruce of opinion that Bramuglia may have assumed that reference to anticipated purchases at early stage of program may have been interpreted as indicating possible purchases in near future. Bruce reports interview was on most cordial basis and regrets that any misunderstanding arose but insists that no indication was made as to prospective financing.

Remorino ¹ today learned from Hensel ² that expected financing was based on misunderstanding.

¹ Jerónimo Remorino, Argentine Ambassador in the United States.

² H. Struve Hensel, an official of the ECA.

Careful survey being made as to market possibilities in US for wool, hides, quebracho and other products and that ECA preparing memo to indicate possible dol financing during forthcoming year. For your info only, ECA now estimates about 8 million to June 1950.

Postpone discussions foregoing pending instructions Dept.³ [Bruce.]

ACHESON

³ Department telegram 175, March 10, to Buenos Aires instructed Mr. Ray to inform Mr. Bramuglia of the information contained in Department telegram 143, emphasizing the fact that Ambassador Bruce, Department officials, and others were actively seeking ways by which OEEC purchases in Argentina might be financed in dollars or U.S. imports increased thus alleviating the Argentine dollar shortage. (840.50 Recovery/3-1049)

710.35/3-849

The Chargé in Argentina (Ray) to the Secretary of State

SECRET
No. 167

BUENOS AIRES, March 8, 1949.

SIR: I have the honor to refer to a secret memorandum of conversation, dated February 10, 1949, between Mr. Paul C. Daniels, Director of ARA, and Uruguayan Ambassador Domínguez-Cámpora.¹

1. It was understood here for a while that Vice President Barkley would visit Argentina. It would, of course, create quite a furor if Vice President Barkley should visit Chile or Uruguay or any neighboring country and not come to Argentina. I assume that no such possibility was contemplated.²

2. The question of an Austral Bloc dominated by Argentina is one that all of Argentina's neighbors love to talk about. It is true that the general feeling of most Argentine officials now is that Argentina should dominate the southernmost countries of South America. In fact many of the Argentines in the government now have remarked to us that the way to settle the problems of the western hemisphere would be for Argentina to take everything south of the Isthmus of Panama and the United States to take over the northern part. . . . In spite of Argentina's grandiose ideas, it has never initiated aggression against any of its neighbors and there may be something in the old wheeze that barking dogs don't bite.

There is no doubt that Argentina would like to have political and economic ascendancy over its neighbors. Argentina's own economic and financial plight is so sad at the present time that it can do no

¹ Not printed. The numbered sections of this despatch corresponded in general with those in the memorandum of conversation and covered approximately the same subjects (811.003 Barkley, A. W./2-1049).

² Mr. Barkley did not travel to South America in 1949.

better than make feeble efforts and dabble a little here and there. The administration here, including Bramuglia, made no effort to hide its dislike of Natalicio González and it is probable that Argentina contributed to some extent to his overthrow.³

Argentina does not appear to be in a position at the present time to assert to any full extent its economic and political ascendancy over its neighbors. I am convinced that there is no danger whatsoever in the foreseeable future of Argentina's initiating armed aggression against Uruguay or any of Argentina's other neighbors.

Both Perón and Bramuglia have remarked to me that they are aware of the existence of the Rio Pact ⁴ and that they also fully believe that whether any Rio Pact existed or not, the United States would not tolerate armed aggression against any of its neighbors. Perón has remarked to me more than once that conditions are so bad in Paraguay and Bolivia that Argentina would certainly not wish to take these two countries over even if it could. Perón added that Argentina already had enough underdeveloped areas and so far has not been able to carry out its plan of industrialization and raising the standard of living. Whether Perón is sincere in this, I do not know, but I am convinced that he does know he would have no chance of getting away with it even if he tried.

3. The point of Argentina's intervention in the overthrow of President González on January 31, 1949, has been largely covered above. We know here that the Argentine administration did not like González but we are unable to find any evidence that they actually took part in the overthrow of González.

4. Argentina is not now in a position to acquire arms for which it would have to make payment in dollars. So far as we can learn, it is not endeavoring to obtain any substantial quantities of arms from sources other than the United States. The Argentines argue that they are behind Brazil in armaments and that Brazil has more modern equipment. The opinion of our military observers is that while the spirit of the Argentine Armed Forces is good and the morale high, their equipment is not up to date and is probably not as good as that of Brazil.

5. Argentina does not appear at present to have a well-defined attitude towards the problem of recognition. It has generally tended to favor the Estrada Doctrine ⁵ rather than the policy which we have followed in the past.

³ Juan Natalicio González, recently ousted President of Paraguay.

⁴ Text in Department of State Treaties and Other International Acts Series No. 1838, and 62 Stat. (pt. 2) 1681.

⁵ Enunciated in 1930 by Mexican Foreign Minister Genaro Estrada, it held that recognition should be automatic and should not be used as an instrument of national policy.

6. I have no comment to make on this point.⁶

With regard to a statement of our position, it seems to me that it is quite sufficient for us to give Uruguay and other countries the assurances outlined in the memorandum under reference prepared by Mr. Daniels and I believe it would serve no useful purpose for us to make any public statements on the subject or to endeavor to give more categorical or specific assurances.⁷

Respectfully yours,

GUY W. RAY

⁶ The reference is to arrangements surrounding proposed lectures at American universities by Ambassador Domínguez-Cámpora.

⁷ The Uruguayan Ambassador had pressed for assurances of U.S. aid in the event of an armed attack on Uruguay and specifically wanted to know if, in addition to its readiness to fulfill the obligations of the Rio Treaty, the United States would come forth with armed assistance without waiting for a meeting of the OAS Organ of Consultation. Mr. Daniels said that he could not commit his government and that he considered an attack at this time on Uruguay a remote possibility, but he supposed that the United States in such a hypothetical case would offer armed assistance before the Organ of Consultation met, since such action would be within the spirit of the Rio Treaty. (811.003 Barkley, A.W./2-1049) For further documentation, see the compilation on Uruguay, pp. 780 ff.

835.5200/3-949 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

RESTRICTED US URGENT BUENOS AIRES, March 9, 1949—1 p. m.
 NIACT

230. Much concern shown here by public utility interests over proposed constitutional revisions pertaining expropriation private property.¹ Understand representations made yesterday by Swedish, Belgians and Dutch to Perón, Bramuglia and others. Proposed law provides: "Public services pertain fundamentally to state and under no concept can be alienated or conceded for exploitation. Those which may be found in possession private interests will be transferred to state, through purchase or expropriation, with previous indemnification when national law so determines."

The above section of clause was in original draft and involves national sovereignty. However recent addition stated formula for indemnification which is original cost minus depreciation and minus any profits during period of exploitation which might be considered in excess of reasonable return. This formula is serious part clause as it would result in reducing indemnification to zero or in many cases leaving companies with debt to state.

¹ Reference is specifically to Article 40 of the Argentine Constitution of 1949, which came into effect as of March 16, 1949.

Provision which causes most concern seems to be that "sums which may have been amortized during period since granting concessions and excess over reasonable profit will be considered as recovery invested capital and deducted from price from [of] expropriation". I have urged on President and Foreign Minister seriousness repercussions expropriation which might amount to confiscation and importance clearing up situation. They emphasized constitutional provision not yet passed and furthermore regulating law would be necessary. Perón states has issued order eliminate objectionable provisions and cabinet meeting this morning agreed support Perón's demand. Perón says he wishes encourage investment foreign capital here and will stick to purchase formula similar purchase telephone company and railways.

Please inform James Bruce.

RAY

835.5034/3-1449 : Airgram

The Chargé in Argentina (Ray) to the Secretary of State

RESTRICTED

BUENOS AIRES, March 14, 1949.

A-134. I saw Bramuglia again on Friday, March 11, 1949, regarding the provision of the new constitution which deals with the expropriation of public services. He said President Perón had endeavored to have the objectionable provisions removed but had been unsuccessful. Bramuglia went on to say that the President had stated categorically that the provision would never be invoked while he was in office. I said that nevertheless the threat would be in the constitution, and while the President's assurances might give some temporary comfort to foreign companies operating here, the law would be on the books and should effectively serve to keep further foreign capital out of Argentina. The Foreign Minister said he regretted the situation, but he had done the best he could.

Bramuglia added that for political reasons he and the President could not push the matter further; they would be accused of being "Cadistas". CADE (Compania Argentina de Electricidad) is one of the largest light and power companies here and has been most vigorous in its protests to the Government. I understand CADE is controlled by the SOFINA interests. The Belgian Minister has protested strongly to the Argentine Government. The American & Foreign Power, ITT's radio companies and remaining telephone companies, Transradio and Swedish Ericsson Telephone properties are interests chiefly affected, however, the term "public services" could easily be made so elastic

as to include almost any concern especially other companies and packing houses.

Bramuglia said Perón told him to inform me that he saw the point made by American and other interests that under language as now passed a company could be expropriated and might well end up owing the Government money.

I respectfully suggest that the Department refer to the Embassy's airgram no. A-113, March 7, 1949¹ and the Embassy's telegrams no. 230, March 9 and no. 248, March 12, 1949,¹ and send us instructions to make representations in writing to the Foreign Minister asking him to inform the President and the Cabinet of our concern over legislation which might amount either to partial or total confiscation. I think we should say that in spite of the President's assurances and the fact that a special law will have to be passed in each instance calling for expropriation, the existence of such a provision will be a constant threat to companies operating here and would be an effective barrier to the investment of any new United States capital in Argentina; the United States Government could certainly not advise private capital to invest in Argentina under such conditions.

I have discussed this matter with local representatives of United States companies and they fully agree with the above recommendations.

With regard to the President's assurances, I pointed out to Bramuglia that with such a law in the constitution the President might not be able to do anything about confiscation for the same political reasons which he had already mentioned. I also told him that under the new constitution any of the provinces could apparently confiscate American property and the Federal Government would not be able to prevent it because of the autonomy enjoyed by the various provinces. Bramuglia admitted that this was correct. I told him that for these reasons I did not derive much comfort from the President's assurances.

I wish to point out that the draft of the constitution as originally presented did not contain the objectionable provisions which would make expropriation amount to virtual confiscation. These provisions were added at the last minute, and when the Belgians and others protested, they were told it was too late to make changes. This matter was brought not only to the attention of Bramuglia but was also taken up personally with Perón and with Mrs. Perón. They all gave the same general assurances but said it was too late to change the law.

RAY

¹ Not printed.

835.5200/3-1649 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, March 16, 1949—1 p. m.

NIACT

259. Referring reported meeting between President Truman, General Marshall¹ and Ambassador Pawley² to discuss ECA purchases and other possible means of helping Argentina straighten out dollar shortage and financial difficulties.³ Greenup⁴ and I feel Embtels 230, March 9 and 248 of March 12 as well as Embassy airgrams 113⁵ and 134 should be considered before announcing any plans ECA purchases or other assistance. Also please see other communications on general subject including letters to Tewksbury and Bruce.⁶ We hear persistent reports Argentine Government feels threat of expropriation may spur us into taking action. Argentines show no disposition make efforts settle at reduced prices. They are insisting on pound sterling convertibility.

We firmly believe it is to our interest help Argentina but before actually doing so we should reach an understanding which will afford adequate protection to American properties and business interests. We have discussed overall situation with Arnold, Whitney and other Americans as well as diplomats and prominent Argentines all of whom are extremely pessimistic. Government has gone back on promise remove 20 percent tax on meat exports and is showing generally unreasonable attitude.

I repeat we believe necessary clear up situation and help Argentina but think any precipitate action or announcement would be disadvantageous since we can gain more by negotiating before extending help.

Please inform James Bruce urgently.

RAY

¹ Former Secretary of State George C. Marshall.

² William D. Pawley had been U.S. Ambassador in Brazil, 1946-1948.

³ A brief summary of Mr. Pawley's meeting with President Truman is contained in Department telegram 205, March 23, to Buenos Aires, p. 490. According to a memorandum of conversation, March 11, by the Chief of the Division of River Plate Affairs (Tewksbury), Foreign Minister Bramuglia had sent his nephew, Sohar R. del Campo, to the United States with personal letters (not printed) for General Marshall and Mr. Pawley, apparently in an effort to obtain help from the United States in solving Argentina's present economic problems (835.50/3-1149).

⁴ Julian C. Greenup, Counselor of Embassy for Economic Affairs.

⁵ Telegram 248 and airgram 113 are not printed.

⁶ Not printed.

811.503135/3-1849 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

RESTRICTED

BUENOS AIRES, March 18, 1949—6 p. m.

269. Representatives Armour, Swift and Wilson, American meat packers including Judge Cooney of Wilson and Tom Taylor of Swift, called today and stated situation packers has reached such crisis due continued losses they feel compelled inform Argentine Government they will have to reduce drastically operations, as of about April 1, and dismiss personnel to bring expenses down to level justified volume business. Suggest Department instruct me inform Bramuglia and Perón urgently concern US Government over situation now existing. Meat packing industry here losing money at rate of about 15 million pesos per month.

Argentine Government has drafted decree authorizing payment 60 million pesos described as a loan to the packers. Payment of 60 million pesos was promised for purpose partially covering losses over period 27 months prior December 31, 1948. This now described as loan to cover labor costs. No mention has been made of provision to cover losses beginning January 1, 1949. Such condition unacceptable.

Packers fear that if they reduce as planned, government would immediately appoint interventors which would amount to first step to expropriation or at least partial expropriation.

I believe I should be instructed tell Bramuglia and Perón that Ambassador Bruce and others making every effort increase Argentine exports to US but situation forced on packers and other American business interests here will make it impossible to render effective assistance.

RAY

811.503135/3-2349 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, March 23, 1949—noon.

281. During conversation other subject, Bramuglia volunteered statement he was disturbed over situation meat packers and endeavoring find solution. Foreign Minister added Perón and most members Cabinet convinced Atlantic Pact¹ prelude war between US and Russia

¹ Documentation relating to the signing of the North Atlantic Treaty and the formation of NATO is contained in volume IV.

and early conflict inevitable. He says for this reason administration taking no measures sell Argentine products, thinking war will mean rapid purchases by US at high prices. Bramuglia states he is fighting lone battle against "her" (Mrs. Perón), Minister Transport Castro, Minister Commerce Barro, and the "so-called" Minister Hacienda Cereijo. Meantime, many industries suffering from inability import relatively small materials or equipment to continue operations. As often reported to the Department, Perón and others believe war inevitable. Bramuglia intimated that unless we help him, he will not be able hold out much longer. His plaintive appeal no doubt calculated spur us into helping situation so as to give him credit, but his statements that situation bad and Perón and associates think war inevitable, are well founded. Bramuglia expressed great concern over threats that meat packers and firms such as General Motors, Ford, International Harvester, Case Tractor, etc. will be forced greatly curtail or completely suspend operations. Bramuglia said expected courier today with replies his letters Marshall and Pawley.² He intimated unless these replies received offering some hope, he was "sunk". Local packers consider decree published March 21 authorizing payment 60 million pesos offers some relief, but about 70 million still due on losses prior to December 31, 1948 plus current losses since January 1, 1949. Public statement by Minister Economy Ares yesterday recognizes these losses and implies obligation Argentine Government remedy situation. These developments do not change recommendations contained Embtel 269 March 18. If 60 million pesos is paid packers plan deliver no categoric statement they will curtail or close down April 1, but will have to do this soon unless provision made take care current losses.

RAY

² See footnote 3 to telegram 259, March 16, p. 488.

811.503135/3-1649 : Telegram

The Secretary of State to the Embassy in Argentina

CONFIDENTIAL

WASHINGTON, March 23, 1949—4 p. m.

205. Pawley's interview with President related principally to differences opinion re prospective ECA financing of Eur purchases Arg and to US desire to implement any commitment made urtel 259 Mar 16. Gen Arg econ situation also discussed but this Govt has no immed plans for extending financial assistance Arg and any such assistance wld unquestionably involve full discussion major problems affecting US interests.

Arg Govt of course wholly mistaken if it believes threat of expropriation will hasten assistance of any kind since reverse true. You cannot stress too strongly extent to which Art 40 in new Constitution increases difficulty those in US Govt striving improve relations Arg.

Urtel 269, Mar 18, suggest you once more inform Bramuglia and Perón US concern situation which threatens operations packing companies. Press desps indicate decree authorizing payment 60 million pesos issued but make no reference payment being loan. A loan obviously provides no relief for losses from increased labor costs. Bruce states it was understood that direct compensatory payments wld be made to cover Govt's wage adjustments over which packers have had no control. Correction basic difficulties might forestall drastic reduction operations and enable packers expand US market thus cooperating in relieving dol shortage.

Bruce, Dept and other agencies anxious assist Arg solve present serious dol problem but coop action Arg essential if any results to be accomplished. Recent quotations to Army for fresh meat from Mex and Braz are below Arg prices. Arg wool prices also out of line. Withdrawal from wheat negots,¹ approval Art 40, and restrictive measures which limit operations established exporting firms make US coop efforts most difficult.

ACHESON

¹ Reference is to the discussions leading to the International Wheat Agreement, signed at Washington March 23 to April 15, 1949, and entered into force July 1, 1949; text in Department of State Treaties and Other International Acts Series (TIAS) No. 1957, and 63 Stat. (pt. 2) 2173.

811.503135/3-2849 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, March 28, 1949—5 p. m.

294. Saw Perón and Bramuglia today and stressed Department's concern over provisions article 40 Argentine constitution and emphasized extent this article increases difficulty those in US endeavoring improve relations Argentina. (Deptel 205, March 23) Perón said only one American company, namely American and Foreign Power could possibly be affected by provisions regarding "public services." He cited example purchase telephones and British railways and said he could give assurances he had no intention expropriating any American companies. I replied such assurances entirely unsatisfactory. Perón then suggested I inform Argentine Foreign Office by note exact nature assurances my government desires. I replied I would request instructions. Perón emphasized provisions article 40 constituted authoriza-

tion and not obligation expropriate. He said he could give written assurances that no American company other than the power and light would be affected and that such could not be expropriated except with prompt and adequate compensation which would be on basis purchase rather than expropriation. Bramuglia added that on receipt note from US he would consult President and legal advisers and give us reply which he was confident would be satisfactory and entirely within provisions constitution. Perón stated he could not guarantee any new company coming to Argentina against application article 40, but thought he could give satisfactory written assurances that the one public utility company affected would not be expropriated but would be purchased if such were possible. He added he also could give assurances that companies other than public utilities would not be classed as public services and subject to expropriation. Bramuglia suggested Department authorize me include in note mention Department's concern over situation meatpackers and other US companies in Argentina. Bramuglia thinks only mention should be made of this without going into detail and that this will afford him basis for endeavoring find satisfactory solution.

Perón said he was shaken by feeling in Department that article 40 was such serious matter. I suggested remedy would be giving us adequate assurances remove our concern. He repeated he felt confident he could do this.

Perón then remarked that we seem to be making no progress re overall understanding and settlement financial-economic difficulties. I said I shared this belief. Perón and Bramuglia then inquired whether it would be possible effect exchange notes or conclude agreement or convention giving American business protection we desire and make it possible take steps clear up difficulties. I replied I had no authority exchange notes or make any agreement but I agreed we should try. Perón suggested I have further conversations Bramuglia and tell him what we wished in line protection and other guarantees. I have appointment with Bramuglia tomorrow and on basis communications and memoranda from Department will present list of what we consider adequate guarantees for American business. Bramuglia said he would then state what Argentina desires and we could endeavor present concrete proposals to Department. My conversations with Bramuglia will be on clear understanding I have no authority make any commitment whatsoever and can only make proposals to Department for consideration.

Perón stated prices meat offered by British are ridiculously low and do not constitute good business for Argentina. He was particularly bitter towards British.

Perón was most cordial and strongly emphasized his recognition necessity reaching agreement with US. He added he considers such understanding indispensable.

I need not stress desirability reaching political and economic understanding with Argentina in interest hemisphere solidarity and our political and business relations with Argentina. I strongly feel we should make prompt effort reach understanding and that if Argentina will make necessary statements to us and give us required guarantees including protection American business interests, it would be worthwhile for us to make sacrifices on our side in order conclude satisfactory arrangements. Perón agreed we have come to point where understanding must be reached and Argentina must take certain steps in order to straighten out situation.

Text letter I handed Perón based on Department's instructions and full report being sent airmail.¹

RAY

¹The letter was transmitted under cover of despatch No. 227, March 28, from Buenos Aires; neither printed (811.503135/3-2849).

835.50/3-2949 : Telegram

The Chargé in Argentina (Ray) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, March 29, 1949—3 p. m.

297. Mentioned to Bramuglia following points as possible prerequisites general understanding and solution Argentine economic difficulties and dollar shortage:

1. Satisfactory guarantees re Article 40.
2. Relief for American companies now being forced close down or suspend.
3. Remedy situation where appears desire Argentine Government gradually confiscate American business by forcing it out.
4. Guarantee remittance profits when dollars available, and liquidate outstanding obligations.
5. Greater participation in international organizations.
6. No shipping discrimination.
7. Adjust prices downward changing exchange rate if necessary.
8. Fair application trade agreement of 1941.¹
9. Promptly implement air agreement.²
10. Freedom of press for US correspondents through mail, cable, radio, etc. Lack this freedom embarrasses our relations.

¹Text in Department of State Executive Agreement Series No. 277, and 56 Stat. (pt. 2) 1685; for related documentation, see *Foreign Relations*, 1941, vol. VI, pp. 387-401.

²No civil aviation agreement was signed by the two countries during 1949.

11. Permitting exports Argentina through recognized established trade channels.

12. Impossible Government control labor cost and must take steps enable American firms Argentina meet costs and continue operation.

13. Cattle raisers and meat packers fear expropriation and uninterested increase production. Prices too low and cattle sold at low weights causing big losses.

14. Local firms feel they are subjected gradual expropriation constituting confiscation as effective as if performed in single operation. Only remedy is reorientation Argentine political and financial economy giving American firms fair treatment.

I told Bramuglia I had no instructions but these suggestions based on unofficial memos from Department and conversations Ambassador Bruce and others. I said they might be revised or amplified by Department if latter desires continue conversations. Bramuglia said he would talk to Perón and cabinet ministers and call me tomorrow. He indicated hope give me some idea Perón's reaction and if any hope reaching agreement, he would furnish list Argentine desires and requirements.

Please inform me urgently whether Department wishes me continue negotiations along these lines and if so whether it envisages possibility clearing matter through exchange note, signing agreement or other means. I think it would be desirable conclude commercial convention with Argentina covering all points desired but this would take time and in meantime hope progress can be made through notes. Bramuglia realizes seriousness situation and strongly desires take action.

However Perón and certain others will probably balk at some our conditions. I told Bramuglia I thought it futile US continue negotiations much longer unless Argentina could accept most our conditions in principle and also unless I had fuller authority from Department continue conversations with him.

RAY

811.503135/3-3049 : Telegram

The Secretary of State to the Embassy in Argentina

CONFIDENTIAL

WASHINGTON, March 31, 1949—7 p. m.

224. Dept approves discussions along gen lines points listed urtel 297 Mar 29 and last para 303 Mar 30.¹ Dept concerned however lest Arg Govt regard correction of conditions as *quid pro quo* for specific

¹ The paragraph in question read as follows :

"My protests have strengthened President's resistance this [anti-U.S.] group and support of Bramuglia and we should keep up pressure. Expect see Bramuglia again soon and unless instructed contrary will continue impress on him and President seriousness situation and necessity Argentina taking steps before we can do anything constructive." (811.503135/3-3049)

asst on part US Govt. Latter wld be extremely unfortunate since US position continues to be that Arg has it within own power to alleviate basic econ distress and that US Govt loan not necessary. No plan contemplated here for direct econ asst to Arg by US Govt.

In all discussion Bramuglia Perón emphasize points recommended by you represent US view of means by which Arg can improve own economic situation and relations US and are not conditions for specific US Govt assistance.²

ACHESON

² In telegram 310, April 1, from Buenos Aires, Mr. Ray reported :

" . . . I have strongly emphasized to both Perón and Bramuglia I have no authority whatsoever make any commitment and they must not take any of my statements of conditions even as intimation that direct US Government assistance will be forthcoming. Will continue discussions as opportunity offers but always bearing in mind Deptel 224, March 31 and limitation my authority." (S11.503135/4-149)

840.20/4-849 : Telegram

The Secretary of State to the Embassy in Argentina

SECRET

WASHINGTON, April 8, 1949—6 p. m.

247. Emb has emphasized high Arg officials including President interpreting recent events and particularly negotiation North Atlantic Pact to indicate war imminent between US and USSR (urtel 281 Mar 23 and urdes 207, Mar 22 ¹). Further enhancement this reaction can be expected from Communist publicity plans reported urdes 206, Mar 21.² Since this conviction on part Arg officials is affecting that Govt's handling immediate domestic and foreign problems in manner contrary US interests and believed contrary to rehabilitation Arg economy, you are requested expand efforts secure wider and substantial dissemination view that Atlantic Pact is deterrent to war. You will continue receive all relevant press materials available.

ACHESON

¹ Latter not printed.

² Not printed.

835.5034/3-1449 : Telegram

The Secretary of State to the Embassy in Argentina

RESTRICTED

WASHINGTON, April 15, 1949—7 p. m.

US URGENT

268. Dept refers Art 40 Arg Constitution and commends your action conversations Pres and FonMin both prior and subsequent to

approval Constitution emphasizing strongly unfavorable reaction this Article Amer business and Govt circles. Dept agrees your recommendation advisability representations in writing to Arg Govt (Emb A-134, Mar 14, 1949) and accordingly unless you recommend change for Dept's consideration present note to FonMin as follows:

Excellency: I have the honor to refer to my recent conversations with President Perón and Your Excellency regarding Article 40 of the Argentine Constitution which became effective March 16, 1949. The President and Your Excellency have requested a note from this Embassy confirming the reasons for the concern of my Govt with respect to this Article and it gives me pleasure to comply herein with this request.¹

The fourth para of Art 40 states: (Emb insert paragraph)² My Govt is gravely concerned with this provision because of the harmful effects which it is having on Argentine-United States relations and because it lays a constitutional basis for legislation contrary to international law insofar as it authorizes the expropriation of certain property without prompt, adequate and effective compensation. Many United States citizens who have investments in Argentina and who believe their interests may be included among "concessionary organizations of public service" view the possibility of such confiscatory action against their property with consternation. Future United States investors will inevitably hesitate before investing in a country where they believe they may be forced to suffer heavy losses by official action. It would now appear that a United States citizen might be deprived of all his property in Argentina after years of prudent operation because he had amortized his original investment or because he had made a profit over the years in an amount retroactively declared to be excessive by legislation or decree. In these circumstances my Govt finds it necessary to reserve its rights with respect to the compensation provisions of Article 40.

The third para of Art 40 states: (Emb insert para)³ In a spirit of cooperation and in an endeavor to be helpful to Argentina in fulfilling the often expressed desire of President Peron to Amb Bruce and to me that foreign capital contribute to the economic development of Argentina, my Govt wishes to point out that this provision can be expected to discourage the investment of United States capital in Argentina because of the interpretation which current and prospective investors fear the Argentine Govt may put upon the words "public services". While this para remains in the Constitution in its present form, United States enterprise can never be certain that some future congress will not broaden the interpretation of the provision to include a substantial proportion of United States investments in Argentina.

¹ At the request of the Embassy in Buenos Aires, following a suggestion from Mr. Bramuglia who had seen the draft text of the note, this sentence was omitted from the final text. (Telegram 347, April 18, from Buenos Aires, and telegram 273, April 19, to Buenos Aires; neither printed, 855.5034/4-1849.)

² See the quoted section in the third paragraph of telegram 230, March 9, from Buenos Aires, p. 486.

³ See the quoted section in the first paragraph of telegram 230, March 9, from Buenos Aires, p. 485.

Permit me to stress, Your Excellency, that my Govt has instructed me to transmit this note in the hope that the observations made therein on a matter of primary importance in Argentina-United States relations will be useful in strengthening understanding, friendship and cooperation between our countries.⁴

ACHESON

⁴ Mr. Ray reported in telegram 356, April 21, from Buenos Aires, not printed, that he had presented the note to Foreign Minister Bramuglia at noon on that day (835.5034/4-2149).

811.503135/4-2849 : Telegram

The Secretary of State to the Embassy in Argentina

CONFIDENTIAL

WASHINGTON, April 29, 1949—7 p. m.

297. Transmit fol note Arg FonMin reurtel 375 Apr 28:¹

I have the honor to refer to the critical situation of the United States meat packing companies in Arg and to inform Your Excellency that I have advised my Govt that these firms cannot be expected to continue operations under existing circumstances. I have further advised my Govt that the Arg Govt has promised the packing houses, including the US, Brit and Arg companies that certain corrective steps would be taken and as a result of this promise the packers agreed not to interrupt operations at this time. I have been compelled to inform my Govt that these steps, listed below, have not yet been taken:

1. The Economic Council will authorize payment of the deficits suffered by the companies during the period from Jan 1 to Apr 30 of the current year and monthly thereafter.

2. The Economic Council will provide fortnightly or monthly the funds necessary to comply with the resolution dated March 31, 1949, by the National Director of Labor.²

3. The payments referred to in the above-mentioned points one and two shall not be a loan but such payments shall be made as definite advances against the deficit of each company but subject to final adjustment after competent authorities have made necessary verification. In the event interest is to be charged on any sum advanced in accordance with this plan, the respective amount shall be recognized as an expense item.

4. The Economic Council acknowledges that the companies are entitled to a reasonable profit on operation and agrees that in making final settlement all accounts of the companies will be assigned a reasonable margin of profit covering the period included in the plan. The

¹ Not printed; it suggested the transmission of a note similar to that contained in Department telegram 297, emphasizing that in view of the Cabinet dissension and the "utterly confused situation" in Argentina it was necessary for the U.S. Government to take a strong position in order to protect the legitimate interests of American business and the dignity of the United States (811.503135/4-2849).

² The resolution dealt with wage increases for the workers.

basis of such margin shall be a percentage agreed upon and based on actual sums paid by each company for three species of livestock: beef, mutton and pork.

5. For final settlement of the account under this plan, basis for establishing the deficit shall be the difference between the total costs and charges including actual cost of each one of the three species of livestock mentioned and the actual amounts realized from corresponding products.

My Govt is gravely concerned by the situation in which the US packers find themselves and has instructed me so to inform Your Excellency's Govt. My Govt has further instructed me to convey to Your Excellency's Govt its earnest hope and wish that appropriate steps for the complete solution of this problem can be taken by the Arg Govt before irreparable harm results to the Arg internal economy and to Arg-US economic relations which both Govts have been so actively endeavoring to improve.³

ACHESON

³ The note was transmitted to Mr. Bramuglia on April 30.

635.6131/5-1849: Airgram

The Secretary of State to the Embassy in Argentina

SECRET

WASHINGTON, May 18, 1949.

A-190. The Department has recently received several reports concerning an increasing, direct or indirect, trade between Argentina and the USSR. These reports are stated to have been furnished to the Embassy under the following descriptions: Purchases of Soviet Satellite Countries in Argentina, April 7; Soviet Purchase of Argentine Hides, April 5; Soviet Purchase of Argentine Hides, March 25; and airgram no. A-318 dated April 27, 1949 from the Embassy at Praha.¹

As indicated in Deptel no. 115, February 15, 1949,¹ the Department is not in a position at this time to attempt to discourage sales of Argentine export surpluses to the USSR or Satellite Countries, but does not wish to see Argentine economic ties with that part of the world strengthened. The expansion of Argentine trade with Eastern Europe might weaken Argentina's political affiliation with the West, and would deprive both the United States and certain Western European countries of an important market and source for their import requirements. The Embassy should watch closely any developments of this nature, and furnish the Department with all available informa-

¹ Not printed.

tion as well as the Embassy's comment with respect to its possible significance in the light of the foregoing.²

ACHESON

²The Ambassador in Argentina (Bruce) responded to the Department in airgram 290. May 24, not printed. He stated that, according to ships' manifests, the only available source of information, Argentina's only shipments to the U.S.S.R. during 1949 consisted of 1,000 dry cowhides and 75,000 salted cowhides. He said that there were considerable shipments to the Eastern European countries, with which Argentina had a number of trade agreements calling for shipment of specific quantities of Argentine goods. (635.6131/5-2449)

811.503135/5-1949

Memorandum by the Assistant Chief of the Division of River Plate Affairs (Atwood) to the Director of the Office of American Republic Affairs (Daniels)

RESTRICTED

[WASHINGTON,] May 19, 1949.

On May 10 soon after Ambassador Remorino's return from Buenos Aires he called on Mr. Daniels and during the conversation which took place proposed the immediate establishment of a committee of US and Argentine officials to conduct studies with respect to business and commercial relations between Argentina and the United States. Having in mind the delicate balance between the forces in Argentina favorable to and against our views, Mr. Daniels believed that immediate cooperation in this proposal was desirable.

When Ambassador Remorino left for Buenos Aires several weeks ago there was little hope for improvement in US-Argentine economic relations. Argentina was continuing in its State-controlled economy, onerous export taxes and commissions were collected by the Argentine Trade Promotion Institute thus limiting trade, the US packing industry and other US firms were either about to close their doors or curtail operations substantially because they were not able to operate under Argentine Government imposed labor and price regulations; a threatening expropriation article in the newly adopted Argentine Constitution hung over the heads of many US enterprises and no effective steps were being taken to pay the dollar debt to US banks and exporters. Mr. Daniels made our views on these matters unmistakably clear to the Ambassador prior to the latter's departure for Buenos Aires and the latter during his short stay in Buenos Aires set forth the US point of view forcibly and effectively. The Ambassador's talk with Mr. Daniels on May 10, before the matter of the joint committee entered the conversation, indicated clearly that the Argentine Government had instructed the Ambassador to give the United States certain assurances which if carried out would represent a reversal of the policy

which the Argentine Government has been following and which has proved so disastrous to US-Argentine relations. (Our Embassy in Buenos Aires agrees with this view.) That Government was taking the Trade Promotion Institute out of commercial operations; it was doing away with the taxes and commissions which the Trade Promotion Institute had been collecting; it was working day and night to reach a solution of the packing house problem; the expropriation article of the Constitution was being interpreted in an encouraging manner, and steps had already been taken to pay off the dollar debt to US banks and exporters. While this was not a moment for unbridled optimism, it was felt to be a strategic moment to encourage the pro-US and pro-free enterprise elements in the Argentine Government which appeared for the time being to have the upper hand in the struggle over the more anti-US and nationalistic groups within the Perón Government.

Ambassador Remorino has made a statement to the press on the creation of this joint committee. He has asked the Department to make a similar statement so that it will be evident to the public that the United States is equally interested. Foreign Minister Bramuglia and the Economic Council have been discussing the matter and are expecting that the United States will issue a statement. In these circumstances it is most desirable to issue a release which in effect supports what Ambassador Remorino has already stated.¹

Our real hope in our US-Argentine relations is the encouragement of those elements in the Perón Government which are favorable to the United States. The activities of the proposed committee would in fact be but a continuation of the discussions which have already been carried on between the Argentine Embassy and the Departments of State and Commerce.

¹ For the text of Department of State press release No. 398, May 27, 1949, see Department of State *Bulletin*, June 5, 1949, p. 734.

711.35/5-1349

*Memorandum by Mr. Henry Dearborn of the Division of River Plate Affairs*¹

SECRET

[WASHINGTON,] May 23, 1949.

Foreign Minister Bramuglia gave Mr. Guy Ray a document which he said was a copy of the instructions given to Ambassador Remorino.

¹ The memorandum was addressed to the Assistant Chief of the Division of River Plate Affairs (Atwood) and the Director of the Office of American Republic Affairs (Daniels).

to guide him in his talks with the Secretary of State.² Below are comments on this document.

First of all there were listed the Argentine Government's comments on Mr. Ray's 14 points which were handed to Bramuglia³ as possible prerequisites to a general understanding between the US and Argentina and to a solution of Argentine economic problems.

With respect to Article 40 of the Argentine Constitution, President Perón's message of May 1⁴ is quoted. As we now know the President was reassuring in tone. Also quoted however are comments on the concern which we manifested regarding this Article by the Minister of Finance which Ambassador Remorino has not yet brought to our attention. The Minister continues to hold that it is just and proper to deduct excessive profits from the price to be paid for an expropriated property. We have reserved our rights in this respect and there is probably nothing further for us to do until a case arises.

In reply to Mr. Ray's suggestion that action be taken to relieve US companies of the hardships they have been undergoing, the instructions point out that US firms are in the same situation as foreign and Argentine firms which suffer from lack of dollars and that the only way to solve their troubles is to increase exports which are paid for in dollars. As for the packers, it is said that they depend on meat exports and that the Government is doing all it can to help them through the present crisis and to reestablish normalcy in the industry. To say that the troubles of US firms are wholly attributable to the dollar shortage is, of course, to simplify too much and the Argentines must be aware of this. It is likely that they are without an answer on the remainder of the problem. As we know, it is true that Argentine officials have been working to reach a solution of the packing house problem.

The instructions reiterate various times that US business is not treated any differently than other foreign or Argentine business. Under present conditions in Argentina this is hardly reassuring to US business.

Regarding Mr. Ray's recommendation that the remittance of profits be guaranteed when dollars are available, the instructions state that Argentina has not restricted profits when dollars were available and

² The Spanish text of these instructions was sent to the Department under cover of a letter (not printed) from Mr. Ray to Mr. Daniels, dated May 13, 1949 (711.35/5-1349); the English text was transmitted with despatch No. 401, May 26, from Buenos Aires, not printed (711.35/5-2649).

³ See telegram 297, March 29, from Buenos Aires, p. 493.

⁴ Reference is to an address by President Perón on that date before the Argentine National Congress.

that a part of Argentina's dollar income was now being reserved to cancel its debt. This is in all likelihood one of the accomplishments of our recent discussions with Argentine officials.

The instructions state flatly that Argentina has sound reasons for not joining the International Bank and Monetary Fund. These are that during a time of instability and economic readjustment it is not possible to adopt rigid standards regarding the exchange rate and to restrict liberty of action. It is said that this is a better position than to join these organizations and then not comply with their standards as have other countries.

On the matter of shipping discriminations, the instructions point out that the US discriminates in this regard in the transportation of ECA financed goods and of goods financed by Eximbank loans. One might say "touché" at this juncture. It is a counter-charge which we should expect and the answers which we give ourselves cannot be expected to satisfy the Argentines.

The instructions say that Argentina cannot accept the view that its prices ought to be lower than those of other exporting nations if that means maintaining a lower living standard. With respect to Mr. Ray's suggestions on the adjustment of the exchange rate (see Point 7, page 6⁵) the instructions do no more than emphasize that it is a complex problem without indicating what action, if any may be taken.

The instructions maintain that Argentina has not been inclined to deviate from its trade agreement of 1941 with the US though it believes revision would be advisable to bring the agreement into harmony with present conditions. Mr. Ray had recommended the prompt implementation of the US-Argentine air agreement and the instructions properly point out that Argentina is now awaiting a reply from the US with respect to a route agreement.⁶ RPA has been urging a prompt reply.

Mr. Ray had suggested that US-Argentine trade should be carried on through established commercial channels, and the instructions stated, as Ambassador Remorino pointed out to us, that this would be done and that IAPI would no longer engage in business.

The instructions pointed out that Argentina hoped to solve its economic difficulties in the cattle industry (see Point 13, page 8) by

⁵ Reference is to the document identified in footnote 2.

⁶ See footnote 2 to telegram 297, March 29, from Buenos Aires, p. 493.

agreeing on prices with foreign buyers that would pay for the efforts of the producers.

The nearest the instructions come to answering Mr. Ray's observations on onerous wage and labor regulations is the statement that the policy of the Argentine Government in favor of industrialization and of raising the standard of living has necessitated full employment and that the problems resulting from this readjustment will be solved.

Mr. Ray had said that lack of freedom of the press in Argentina made US-Argentine relations more difficult and he recommended that US publications be permitted to enter freely and that US correspondents be permitted to send news freely by radio, cable and mail. The instructions stated that the Argentine Government would study as soon as possible how to increase the introduction of US publications and the diffusion of news by US correspondents. We probably cannot expect much from this, though if US-Argentine economic relations should improve one might look for an improvement in press relations the latter lagging behind the former.

Referring to Mr. Ray's invitation that Argentina likewise make known any grievances it might have, the instructions authorize the Ambassador to take up the following matters of which he or others in the Embassy have mentioned all. 1) Argentina is concerned by the unfulfillment by the US of ECA purchases in the amount of several hundreds of millions of dollars announced repeatedly to the Argentine Government by the US Embassy in Buenos Aires early in 1948 and by Assistant Secretary Armour in Bogotá.⁷ 2) The unfulfillment by the US of the promise in Washington made by Mr. Bruce of ECA to Dr. Bramuglia to acquire immediately one hundred million dollars worth of purchases in Argentina and several millions of dollars worth during the current year. 3) The concern of the Argentine Government with the constant anti-Argentine campaign carried on in the US press. 4) The sale of US pork to England financed by ECA dollars during the Argentine-British meat negotiations.⁸ There is no doubt but that

⁷ Norman Armour, formerly Assistant Secretary of State for Political Affairs, had been a member of the U.S. delegation to the Ninth International Conference of American States, held in Bogotá, March 30-May 2, 1948.

⁸ Telegram 299, April 29, to Buenos Aires, not printed, had reported the allocation by the United States of 73 million pounds of pork for export to the United Kingdom and 10 other countries followed by approval by ECA of financing for United Kingdom procurement of 66 million pounds of pork (\$40.50 Recovery/4-2949).

these are all serious matters to Argentina and all serve as an effective basis of propaganda against the US in Argentina and elsewhere regardless of how we explain them.

Finally the Ambassador was instructed to effect the following: 1) The normalization of current US-Argentine trade. 2) The appropriate means for the acquisition in Argentina of ECA financed purchases, considering all the variations which operations of this nature offer. 3) Establishment of a mixed committee to facilitate normalization in economic relations. 4) The best political understanding between the two governments.

It is noteworthy that contrary to the reports which we received from Buenos Aires while Ambassador Remorino was still there, no part of these instructions mentions the application for an Eximbank loan to build a steel plant.

635.4131/6-749

*The Secretary of Commerce (Sawyer) to the Acting
Secretary of State*

WASHINGTON, June 7, 1949.

DEAR MR. SECRETARY: Agreement in principle on a five-year trade agreement between the United Kingdom and Argentina has recently been announced.¹ It appears that the agreement includes a meat contract, a provision for the effective monopolization by British suppliers of the Argentine market for petroleum products, and provisions for a bilateral balancing arrangement in which Argentine trade is tied tightly to that of Britain.

For some weeks the problems involved in the negotiation of this agreement have been under discussion by the staffs of our two Departments and the Economic Cooperation Administration.

I understand that, just prior to the conclusion of the Anglo-Argentine negotiations, you indicated to the British Embassy that the United States does not look with favor upon the consummation of such an agreement. However, as I understand it, the Embassy has

¹ Reference is to the United Kingdom-Argentine Trade and Payments Agreement signed on June 27, 1949, the text of which is printed in United Nations Treaty Series, vol. 83, p. 217.

indicated that it regrets that the views of this Government were not made known sufficiently early to be given weight.

My primary concern is for the interests of United States trade, since agreements such as the one just completed tend to exclude American business from markets on the development of which it has expended much effort and money over a number of years. Such an agreement creates an unfortunate precedent. The agreement in question, if fully implemented, will give to the United Kingdom a greater proportion of the trade with the Argentine than it has enjoyed at any time during this century. The discrimination against United States trade with Argentina resulting therefrom is unnecessary and undesirable. Justified complaint by business has been expressed both to your Department and mine. When we are advocating policies of multilateral trade, allowing actions such as this to pass without serious challenge can only result in failure for our foreign commercial policy.

I know you share my view that the proper protection of United States business interests, the implementation of our commercial policy, and the restoration of multilateral world trade, all emphasize the need for prompt corrective action in this case. It is my conviction that the Anglo-Argentine agreement will have to be revised in any case. I urge that we make our judgment known to both the British Government and the Argentine Government at the earliest possible moment in order that modification of the present agreement may be brought about at an early date.

Sincerely yours,

CHARLES SAWYER

811.503135/6-749 : Telegram

The Ambassador in Argentina (Bruce) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, June 7, 1949—6 p. m.

509. US meat packing companies last night received checks covering losses since January 1 through April. No provision made for profits but decree which is to be published soon, recognizes right to profit. Packers unable as yet say whether settlements entirely satisfactory. However, they are pleased with developments and hope for completely satisfactory solution. Decree provides for monthly payments of losses until situation stabilized. Government wishes keep this

confidential for few days probably pending signature British agreement.¹ Will report more fully.²

BRUCE

¹ See footnote 1 to the letter from Secretary of Commerce Sawyer, *supra*.

² Despatch No. 604, September 6, from Buenos Aires gave the following further report on the situation:

"... In recent weeks... there has developed new cause for alarm relative [to] the long-term situation of foreign-owned *frigorificos* in Argentina. Although the government has been paying regularly the monthly deficits, it has made no effort so far to audit the books or to reach mutual agreement on the question of reasonable profit. Obviously the receipt by *frigorificos* of payments on this basis over an extended period of time may expose them ultimately to disastrous liabilities. . . .

"... The managers of foreign-owned *frigorificos* are beginning to fear that in spite of professed favorable policy and superficially satisfactory explanations, the actual procedures of the government in paying deficits, in distributing United Kingdom export quotas, and in controlling direct export sales, may result ultimately in their 'withering on the vine'; that is, causing the gradual liquidation of their operations through decapitalization and loss of export position rather than through outright expropriation or nationalization such as one time was feared.

"It is possible, of course, that recent discriminatory action may be attributed to laxity of administration and preemption of policy by subordinate officials, rather than to the long-range intent of the Argentine Government. In an effort to clarify the situation, the Chargé d'Affaires is planning to draw the attention of Minister of Economy Ares as soon as possible to the present alarm of the packers, and to request that he discuss directly with them these problems which recently have arisen." (835.6582/9-649)

635.4131/6-1049: Telegram

The Ambassador in Argentina (Bruce) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, June 10, 1949—6 p. m.

525. Press here carried article this morning State Department protest to Great Britain on account Anglo-Argentine trade agreement. *Democracia* states protest made to Britain because she has become satellite whereas Peron has preserved Argentine independence. Our position at Embassy is to be noncommittal and refuse comment on controversial matters that are none of our business.

Presume State Department understands Anglo-Argentine agreement engineered by junior staff ECA who used US taxpayer's dollars in attempt force down Argentine prices meat and engineered pork purchase from US at much higher price than Argentine pork, with idea of forcing Argentina to sign agreement. Also refused put any dollars up in course of agreement thereby making aid entirely dependent on British production.

Argentine negotiators themselves in conference Ray, myself and other leading US business executives here stated Argentina had need

for and desired US products but had been prevented from getting them. Barro, ardent nationalist and generally considered unfriendly to US made comment "Who would swap US Ford for British Austin?"

Minister Economy Ares in conversation with Ray two days ago lamented fact Anglo-Argentine agreement makes it necessary turn to Great Britain for so many manufactured products. He cited particularly automobiles, tractors, other agricultural machinery and machine tools being products Argentina would prefer import from US. Ares explained Argentina could only sell its fresh meat to England and there were only two possibilities: (1) Accept British products in payment, or (2) sterling convertibility into dollars. Ares pointed out our failure make ECA dollar purchases or help England with convertibility ruled out second possibility. This Embassy has long foreseen and lamented consequences barter deal between Great Britain and Argentina but in view dollar shortage and ECA opposition assumed that Washington considered it a calculated risk.

State Department unquestionably realizes controversy now developing between State Department and ECA. . . .

Embassy here 100 percent accord attitude State Department, but afraid its case locking stable door after ECA let horse be stolen.¹

BRUCE

¹ Under date of July 28, Mr. Atwood sent to Ambassador Bruce a letter reviewing at some length the Department's position during the Anglo-Argentine discussions. A portion of the letter read as follows:

"Deeply appreciative of the British dollar position and the significance of British recovery to this country's security, I cannot forebear pointing out that the UK has in this instance been almost completely responsible for the inability of Argentina to earn dollars in European trade. The UK refused dollars to Argentina; the UK did not request dollars from ECA; and after the discussions with Mr. Webb, the UK neither incorporated dollars in the agreement nor evinced willingness even to discuss the means with officials of the Department or of Commerce. The British appear to have sought an agreement of five year's duration. Recognizing that in the end the UK might have proved herself unable to expend dollars in Argentina, the fact remains that the UK did not review the various possibilities with us in advance of signature and, so far as we know, did not attempt to reduce the duration of the agreement to the period made absolutely necessary by the dollar shortage. Now the world knows that Britain can purchase all the meat she can get with sterling and Argentina has agreed to accept sterling for all British purchases in Argentina—not for a year but for five years. Unless the British prove to be incapable of meeting their obligations under the agreement, particularly with respect to the supply of oil, and the agreement falls through, I regard the agreement as the most serious blow to American business interests in Argentina since the negotiation of the Roca-Runciman Agreement in 1933. We now anticipate that Britain will proceed to negotiate somewhat similar bilateral agreements with Uruguay and Brazil, and I have little real hope that in the long run US business interests will come out any better in these countries than in Argentina." (635.4131/7-2849)

635.4131/6-749

*The Acting Secretary of State to the Secretary of Commerce
(Sawyer)*

CONFIDENTIAL

WASHINGTON, June 21, 1949.

MY DEAR MR. SECRETARY: This will acknowledge and thank you for your letter of June 7, 1949 relative to the recently announced agreement between the United Kingdom and Argentina.

This Department also has been and is seriously concerned over this agreement and its implications. We have made known our views to the British and Argentine Ambassadors and also to several other representatives of those two governments.

The Argentine Ambassador takes the position that his government did not desire such an agreement but that, because of the dollar shortage and pressure from the United Kingdom, Argentina was forced into the agreement. The Ambassador suggested that the only remedy was for the United States to intercede with the British or otherwise for some means to be devised to remedy the Argentine dollar shortage.

We emphasized to the Argentine Ambassador our concern lest the proposed agreement result in closing the Argentine market to American exporters if any means could be found to finance such trade. The Ambassador assured us that Argentina was fully as anxious as we were to increase trade between our two countries and certainly would not close their market to United States exports but that he did not know of anything more that his government could do on this score.

In our talks with the British Ambassador and other British representatives, all of the points mentioned in your letter have been emphasized. We are convinced that the British Ambassador fully appreciates the grounds for, and extent of, our concern over this agreement, and that the Ambassador has brought our views to the attention of his government in London. However, he has pointed out the extreme difficulty of the British situation, using the various arguments with which our two Departments are familiar.

As we see it, this agreement between the United Kingdom and Argentina is just one reflection of a very deep-rooted world problem. The breakdown of free convertibility between the dollar and pound, and other war-time trade distortions, make the traditional pattern of triangular trade impossible today. Consequently, the British, in their attempt to conserve dollars, are attempting to find new and expanding trade outlets. These objectives of the British are consistent with our more general ERP objectives, but the manner of their achievement is obviously inconsistent with our broad economic foreign policy and United States commercial interests. If the British could expand ex-

ports by the exercise of fair and competitive methods, it would be difficult for us to object—even though some American exporters might lose markets. But if the latter result is brought about by governmental agreement, regardless of normal trade patterns and competitive forces, it is a very different thing. We have made these points to the British, pointing out that there must be other means open to them which do not present such objectionable features. It is our hope that, in spite of the very complex and difficult situation, the British will find some means of ameliorating the ill effects of the agreement.

We expect within the next few days to hear further from the British Embassy as a result of our expressions of concern. We shall keep your Department advised of developments.¹

Sincerely yours,

JAMES E. WEBB

¹ On June 27, the Department of State issued a statement reflecting its position on the United Kingdom-Argentine Agreement; the statement incorporated certain assurances from the British Government resulting from the Department's expressions of concern referred to above. The text of the statement is printed in Department of State *Bulletin*, July 11, 1949, p. 37.

711.35/9-1249

*The Assistant Secretary of State for American Republic Affairs
(Miller) to the Chargé in Argentina (Mallory)*

CONFIDENTIAL

WASHINGTON, September 12, 1949.

DEAR LES: I was terribly sorry not to have had a chance of seeing you before you left for your post, particularly since I understand we nearly saw each other one day in New York. In any case, I am delighted that you are down there and am sure that you will find it a challenging and highly satisfactory assignment.

I had an opportunity for a full review of the Argentine situation with Ambassador Bruce who, incidently, was most laudatory of your work. I hope that we may be entering into a more constructive phase of relations with Argentina, and, for my part, I believe that we should be ready to meet them halfway at any time.

I also had a most interesting luncheon meeting with Remorino the other day which you should know about. Until last week I had only seen Remorino once very briefly when he called on me on July 26 simply for the purpose of paying his respects. Last week he came in for the purpose of presenting Messrs. Juncosa Seré¹ and Brignoli²

¹ Julio M. Juncosa Seré, Director-General of the Argentine Ministry of Economy, was a member of the U.S.-Argentine Joint Committee on Commercial Studies; concerning the establishment of this Committee, see footnote 1 to the memorandum by Mr. Atwood, May 19, p. 500.

² José Julio Brignoli, Director of the Exchange Department of the Argentine Central Bank, was a member of the U.S.-Argentine Joint Committee on Commercial Studies.

to me and during the course of an otherwise purely formal meeting, he dropped a hint that he would be glad of an opportunity to tell me what had transpired in re Bramuglia.³ Therefore, I invited him to lunch with me and he did so last Friday.

He immediately went to the heart of the subject and told me with complete frankness about the unsatisfactory state of affairs that had existed by virtue of Bramuglia's suppression of the Washington Embassy's reports, particularly when such reports referred to a cooperative attitude on the part of the United States. He explained Bramuglia's attitude on the ground of the latter's aspirations for the presidency and his desire to build himself up in the eyes of the Argentine people as the only friend of the United States. (Somewhat inconsistently, he also at another point attributed Bramuglia's attitude to the latter's disappointment over the lack of ECA purchases.) In any event, Remorino said the matter came to a head when Perón in June made a bitter attack on the United States in connection with the Anglo-Argentine agreement. Remorino was astounded about this because the Department had acted in a most friendly and understanding manner about the agreement and Remorino had sent in a full report to this effect. He therefore requested permission from Bramuglia to go to Buenos Aires on consultation and Bramuglia did not answer his telegram. Thereupon Remorino sent a telegram to the President stating that he was on his way and he told me that at this stage he fully expected that he would be replaced in Washington.

On his arrival in Buenos Aires Remorina went directly to Perón and showed him his file of telegrams. Perón hit the roof and the next day he had both Remorino and Bramuglia in together at a meeting which Perón prefaced by the statement that one or the other was lying and he intended to find out which one was. He thereupon requested Remorino to read the telegrams in the presence of Bramuglia and, according to Remorino, this was the most unpleasant thing that he

³ Juan Atilio Bramuglia, Argentine Minister for Foreign Affairs and Worship, had resigned and been replaced on August 13 by Hipólito Jesús Paz; further information on the resignation of Mr. Bramuglia, based on conversations held by Ambassador Bruce with President Perón and Messrs. Bramuglia and Remorino, was transmitted to the Department in despatches No. 563, August 15, and No. 569, August 18, from Buenos Aires, neither printed (835.021/8-1549, 8-1849). In the former document, Ambassador Bruce observed that it had been common knowledge for some time that Mrs. Perón was not favorably disposed toward Bramuglia, but had favored Remorino to whom she once offered the position of Foreign Minister. Ambassador Bruce also concluded, following his talk with President Perón on August 13, that the latter in deciding to dismiss Bramuglia might not have sufficiently discounted the personal intrigues and ambitions of certain people.

had ever been asked to do. The upshot of this was that Bramuglia made certain remarks to Remorino which the latter characterized as being "not very complimentary to me,"* The question then arose as to whether they would try to get Bramuglia to stay on and Perón personally ruled out any such efforts and also ruled out any effort whatever to save the face either of Bramuglia or of the Argentine Government. Perón instructed Remorino in this connection to go back to Washington and "tell them up there that I apologize; that I made a terrible mistake but it was because I was misled. When I make a mistake the best thing to do is to recognize that I made it and try to make amends. There is no use trying to save face."

I told Remorino that this statement was of transcendental importance to me as showing the good faith of the Argentine Government and that I and the rest of us in the Department are prepared to cooperate in every appropriate way. Remorino said that he and the President both feel that Argentina's future lies with the United States and only with the United States and they are going to work in this direction. With Bramuglia out of the way the Embassy and the Foreign Office will now be in harmony and it should be possible to work along this line. As to Paz, he indicated only that Paz would not play a decisive role in policy-making. Remorino also said that on some future occasion he would like an opportunity of telling Mr. Acheson what he told me. Unfortunately, it will not be possible to arrange for an appointment with the Secretary until around the middle of October but I will try to do it then.

In the meantime, in your discretion, it might be desirable for you at some appropriate opportunity to mention to the President that I have received his message from Remorino and that I am profoundly impressed by this decisive demonstration of his friendship and good faith and that more than ever I look forward to an opportunity of meeting him in person. I hope that this will be some time in the early part of February when I intend to make a trip to Brazil, Uruguay, Paraguay and Argentina.

With kindest regards,

Sincerely yours,

EDWARD G. MILLER, JR.

*and thereupon resigned. [Footnote in the source text. Presumably, these words had been inadvertently dropped from the text in the original.]

835.516/9-2849

*Memorandum by Mr. T. R. Martin of the Division of River Plate
Affairs to the Assistant Chief of the Division of River Plate Affairs
(Atwood)*

CONFIDENTIAL

[WASHINGTON,] September 28, 1949.

Subject: Argentine Exchange Situation. (Memorandum, September 20, Pierrot to Miller¹)

The "impression regarding favorable progress" in Argentina mentioned by Mr. Pierrot arose of course from two major developments: The Argentine Government has reduced its dollar obligations by more than 100 million dollars in 1949, and has committed itself publicly and officially to a definite and seemingly reasonable program for the liquidation of the remainder of the indebtedness. Since this arrangement may require eight years for completion, the current joint discussions of Argentina's economic problems may develop a program for rapid liquidation of this indebtedness. I am hopeful that the indebtedness can be funded in some manner.

The particular difficulty of the foreign banks maintaining branches in Buenos Aires is well known to you. Other banks having agencies rather than branches in Argentina unilaterally diverted Argentina's normal dollar earnings to the satisfaction of their own claims. By this means they rid themselves of credits amounting to some 95 million dollars. Although these banks seized the opportunity to assist themselves and can hardly be criticized for trying to correct by arbitrary means a situation arbitrarily created, their action placed the Argentine Government in a position of discrimination against the banks with branches, as well as resulted in a transfer of Argentina's dollar accounts to the Federal Reserve. As I understand the situation, the diversion of the funds was possible not because the Central Bank could exert no control but because it had not attempted to do so. I assume that under present circumstances such action is impossible.

The estimate of "outstanding commercial credits" at 150 million dollars is a little puzzling. If the term "commercial credits" is interpreted to mean total dollar obligations arising from trade transactions, the current figure is variously estimated from 143 million to 210 million dollars. The expression "commercial credits" has been used to describe the letter of credit debt to US banks which is estimated at 42 to 43 million dollars. It is not clear whether the expression as used by Mr. Pierrot's friends was intended to describe all commercial obligations to US creditors, or possibly all commercial credits in the

¹ The memorandum, not printed, reported on Mr. Pierrot's conversations with several American bank officials whose banks maintained branches in Argentina (835.5151/9-2049).

technical sense owed not only to US creditors but also to the Royal Bank of Canada and the Bank of London and South America.

We have reason to believe that the Argentine Government through the unilateral action of certain banks paid off dollar obligations amounting to some 95 million dollars. Since May the Argentine Government has paid off some 11.4 million dollars in credits in accordance with its commitment to allocate 20 percent of its dollar earnings for this purpose. Obviously the experience of any one institution is not a precise criterion by which to judge Argentine performance. The Argentine Government is proceeding on a chronological basis. Claims are paid in accordance with the date on which pesos were deposited for a specific remittance. This procedure, like any procedure, has worked some hardship on individual creditors, and also entails a significant disadvantage to the Argentine Government itself in that immediate liquidation of commercial credits in the technical sense would restore Argentina's bank credit. Argentina is pursuing a course not unlike that followed by Brazil, although in the case of Brazil commercial collections, i.e., debts to exporters, constitute a much larger proportion, and commercial credits a much smaller proportion of the total indebtedness than in the case of Argentina. Thus the banks have less reason to press for liquidation in Brazil than in Argentina. The Argentine Government has in general taken what is usually acknowledged to be a fair approach to a problem which offers no perfect solution.

The chronological procedure has resulted in comparatively small payments to some, of which National City appears to be one, and in complete liquidation of indebtedness for others. An element in the delay has been the unusually small US imports from Argentina during 1949. The recent increase in the percentage of allocation of Argentine dollar earnings from 20 percent to 30 percent may compensate for this decrease in US imports from Argentina, but no allocation has yet been made under the 30 percent commitment. It is reported that some unusually large items are coming up for liquidation in June, one of which may be General Motors. If so, several allocations may be necessary to liquidate a single item, or allocations may be postponed until accumulations permit the liquidation of at least one item.

I believe that the foregoing outlines our understanding of the situation which officials of the National City Bank wish to discuss with Mr. Miller. I presume that the National City Bank is aware that the Embassy approached the Argentine Government concerning their problem as a consequence of Mr. Tewksbury's telegram No. 125 of February 18.² I attach a copy of the Embassy's report (A-139

² Not printed.

March 17³) which indicates that the Argentine Minister of Finance was sympathetic and hoped to make some adjustment. Since adjustment could not now be made without departing from the chronology to the detriment of other US creditors, unless the Argentine Government is willing to make an adjustment out of its uncommitted 70 percent of its dollar earnings, I believe that we should be cautious in seeking for these banks a special arrangement which might further delay liquidation of Argentine obligations to other US interests.

³ Not printed.

835.5151/10-449

Memorandum of Conversation, by the Director of the Office of East Coast Affairs (Tewksbury)

RESTRICTED

[WASHINGTON,] October 4, 1949.

Participants: Dr. José Julio Brignoli—Argentine Delegate to Joint US-Argentine Committee of Commercial Studies
Sr. Julio C. Rodriguez Arias—Adviser to Dr. Brignoli
Sr. Antonio F. Cafiero—Adviser to Dr. Brignoli
Mr. Corliss—FN¹
Mr. de Beers—Treasury Department
Mr. Hill Houston—Department of Commerce
Mr. Atwood—RPA²
Mr. Tewksbury—RPA

Following a meeting of the Finance Subcommittee of the US-Argentine Committee of Commercial Studies, Dr. Brignoli and the group mentioned called to discuss the progress being made in the joint discussions. Dr. Brignoli stated that he considered that the discussions were proceeding in a highly satisfactory manner and that he was much pleased with the progress which had been made.

The conversation then turned to the recent devaluation of the Argentine peso,³ and Dr. Brignoli expressed the opinion that the devaluation measures would facilitate the efforts of the Joint Committee in expanding Argentine exports to the United States. He stated that the more favorable export exchange rates would place Argentine products on a more competitive basis and should assist in expanding sales in this country.

¹ James C. Corliss, Assistant Chief of the Division of Financial Affairs.

² Rollin S. Atwood, Officer in Charge of River Plate Affairs.

³ On September 19, the Argentine Central Bank had suspended exchange operations following the United Kingdom's devaluation of the pound sterling; on October 1, the Central Bank announced a new set of exchange rates for the peso for various categories of imports and exports. On October 3, the free market rate went from 4.80 pesos to the dollar to 9 pesos to the dollar.

I inquired whether the devaluation of the peso would in any way affect payments on outstanding accounts, and Dr. Brignoli explained that, under the exchange measures in effect prior to the devaluation, importers had been able to insure themselves against fluctuations in exchange. It was possible for any importer to provide guarantee through his local bank and the Central Bank of exchange at the rate in effect at the time of importation, and thus, when the exchange is available for paying past due accounts covering imports, this will be provided at the former rate.

I inquired whether this would likewise apply in the case of payments for services such as dollar remittances due on cable messages, transportation, etc. Dr. Brignoli replied that this was not provided for and that the rate applicable would be the new rate of nine pesos. I remarked that this might well involve very substantial losses to a number of companies, particularly in the case of some of the transportation companies. I pointed out that the fares established by the airplane and steamship companies were based on the dollar cost of the transportation and figured at the current rate of exchange. The transportation companies have not been permitted to remit funds as received for months and as a result substantial holdings have accumulated, and I explained that, if the funds must now be transferred on the basis of an exchange rate of nine pesos to the dollar, losses would be in some cases very substantial. Dr. Brignoli agreed that the inability of the transportation companies to transfer their funds was in no way their fault and that injustices might result from the devaluation measures. I explained to Dr. Brignoli that we were almost certain to receive inquiries from companies faced with these losses and inquired as to the steps to be taken by them to protect their interests. While Dr. Brignoli did not make any specific commitment, he indicated that careful consideration would be given to cases where losses would result and suggested that interested companies file complete statements with substantiating data as to the amounts involved and the circumstances surrounding the accumulation of peso funds to the National Economic Council. He said that each case would have to be considered separately and explained that he had already arranged an appointment with Mr. Vidal of the Panagra Company to discuss their problem.

The balance of the discussion was of a general character, and Dr. Brignoli gave the definite impression that he is pleased at the attentions which he has received and the progress being made.

HOWARD H. TEWKSBURY

835.5151/12-649

*Memorandum of Conversation, by Mr. Albert F. Nufer of the Bureau
of Inter-American Affairs*

SECRET

[WASHINGTON,] December 6, 1949.

Participants: Ambassador Jerónimo Remorino
Dr. Julio M. Juncosa Seré
Dr. José J. Brignoli
ARA—Mr. Miller
Mr. Nufer
EC—Mr. Tewksbury
Mr. Atwood

At Mr. Miller's suggestion, Ambassador Remorino, Dr. Juncosa Seré and Dr. Brignoli met with him on December 6, 1949.

Mr. Miller referred to his conversation with Ambassador Remorino of December 1 when the Ambassador inquired whether there was any possibility of Argentina's obtaining assistance from the Export-Import Bank in the form of export credits to American exporters to finance the shipment of agricultural equipment and other essential materials to Argentina. (This same question had been raised by Dr. Brignoli on November 14 shortly before his and Dr. Juncosa Seré's trip to New York, Boston and Philadelphia in a conversation with some of the U.S. members of the Joint Argentine-U.S. Committee of Commercial Studies.¹)

Mr. Miller said that pursuant to the Ambassador's inquiry, he, together with Messrs. Nufer and Atwood and other officials of the Department, had met with the Chairman and leading officials of the Export-Import Bank to place the matter before them. The Bank, after an exchange of views, stated it was not prepared to express an opinion with regard to the question raised until it had completed a study, which it had just begun, on Argentina's need for financial assistance and its ability to service a credit or loan. Mr. Miller added that while the Department had no objection to any financial accom-

¹ In a memorandum of November 25, 1949, to Willard L. Thorp, Assistant Secretary of State for Economic Affairs, Mr. Miller said in part, with reference to the Argentine request for financial assistance:

"I believe that this matter is of such importance to our overall relations with Argentina and to our hemispheric policy that the Department should strongly urge that the Export-Import Bank give sympathetic consideration to a formal request to be made by appropriate Argentine officials. It is believed that such assistance.

"1. Would be a powerful factor in promoting closer political and economic relations between the United States and Argentina.

"2. Would give the United States, in return, an opportunity to influence the Argentine Government toward sounder business practices including the adoption of further measures to eliminate government control of commercial and financial operations and artificial trade barriers in general.

"3. Would redound to the direct benefit of American investors in Argentina and of American exporters." (835.51/11-2549)

modation which the Bank on the basis of its studies might consider practicable, it was necessary to emphasize that the final decision in the matter would, of course, rest with the Bank. He pointed out, however, that the mere fact that the Department had taken the initiative in placing the matter before the Bank represented a new and important step in our economic relations with Argentina.

It was mentioned to the Ambassador that the Department had offered to furnish the Bank with all information in its possession on Argentina's economic and financial situation; that this information, however, might not be sufficient for the Bank's purpose; and that, therefore, it was assumed the Argentine Government would furnish any additional data that might be required. Ambassador Remorino said he could assure us that Argentina would be only too glad to furnish any information that might be desired in accordance with the policy already adopted in furnishing the Argentine delegation on the Joint Argentine-U.S. Committee of Commercial Studies with all the data the Committee needed in carrying out its studies.

Mr. Miller also told his visitors that he thought it would be inadvisable for them or for the Argentine Government to attempt to anticipate the Export-Import Bank's decision. As he had already mentioned, the entire matter depended, in the first instance, upon the outcome of the studies which the Bank had initiated and on the Bank's interpretation of the conclusions to be drawn therefrom. He also stressed the importance of keeping this matter in strict confidence as any premature statements or reports would doubtless be prejudicial. Ambassador Remorino said he understood this perfectly.

Ambassador Remorino told Mr. Miller that he had intended to leave for Buenos Aires early in December but that he now thought he would postpone his departure until December 20 or 21 so as to take back with him some word from the Bank. Mr. Miller asked him not to postpone his trip on that account as it was improbable that the Bank would have completed even a preliminary survey by that time, as it only had a small staff and as investigations of this kind were necessarily long drawn out. Ambassador Remorino seemed to understand this fully.

635.4131/12-2149 : Telegram

The Secretary of State to the Embassy in Argentina

CONFIDENTIAL

WASHINGTON, December 21, 1949—7 p. m.

783. Remorino accompanied by Juncosa and Brignoli of Arg Joint Comite del arriving Baires via Panagra Thurs Dec 22 carrying full

Comite report.¹ Report completed and signed today by Miller and Remorino. Airmailing today. Embtel 1077² Comite findings not for publication or non-governmental discussion until two Govts agree on future release. Urinfo joint report (1) stresses importance increasing Arg exports US through competitive pricing and establ permanent Arg orgs US to study markets and publicize trade (2) agrees Arg present again with current pertinent facts request US allow entry Tierra del Fuego meat (3) agreed Arg through competitive bidding might well obtain increase dol sales ERP (4) agreed US when appropriate increase strategic stockpiling Arg products (5) stressed importance private fon investments citing significant factors (6) recognized way paved for double taxation negots soon, and for exchange notes transportation COS (7) recognized significance exchange allocation commercial arrears (8) recognized need tourist publicity and relaxation measures impeding tourist travel Arg.

ACHESON

¹ Not printed; the report is in decimal file 611.3531/12-1549. The text of a statement issued by the Department of State on December 15 upon conclusion of the economic talks with Argentina is printed in Department of State *Bulletin*, January 2, 1950, p. 31.

² Not printed.

835.50/12-3049

*The Ambassador in Argentina (Griffis)*¹ to the Secretary of State

CONFIDENTIAL
No. 1040

BUENOS AIRES, December 30, 1949.

It is clear that the work of the US-Argentine Committee for Economic Studies has laid an opportune and necessary basis for the solution of outstanding economic problems existing between the two countries. It is also clear that the work of the Committee is a first step only and that a great deal will have to be done by the Argentine government and a substantial amount of help be given by the American Government to reach a happy and productive conclusion. As Ambassador Remorino phrased it during a discussion which I had with him on December 27, he had "brought back the violin and the music, but someone would have to play them". Realizing that the major burden is upon Argentina, realizing that a suitable atmosphere must exist in the United States as well, and in a desire to terminate some of the most pressing of our current problems, I am endeavoring to arrange at least partial settlement of the situations confronting the

¹ Ambassador James Bruce had left Buenos Aires in August and was succeeded as Ambassador by Stanton Griffis.

American packing companies in Argentina, crude oil supplies for American affiliates and the free import of motion pictures.

These three matters were chosen, after considerable deliberation, as being those whose settlement could create favorable publicity in the United States, or at least cause a cessation of unfavorable publicity and—tactically—being those problems which involved no expenditure of Argentine dollar exchange, currently the Sacred Cow.

To this end quiet discussions were held with a close friend of President Perón in the knowledge that the general approach would rapidly reach his ears. Following the arrival of Ambassador Remorino I took up the three problems mentioned, laying some stress on the need for an improved climate in the United States, and pointing out that settlement of the three matters required no foreign exchange and required only some long-overdue bureaucratic decision. Ambassador Remorino expressed himself as being fully in accord with this approach and stated that he had already discussed two of the questions with the Economic Council and planned to discuss the third in the very near future. He pointed out the difficulties under which he has been laboring in trying to inform and convince Argentine authorities of the repercussions which arise from unwise Argentine activities or lack of activity both in the economic and political fields. He promised to use his best efforts towards getting an early solution of these three matters and requested memoranda covering motion pictures and petroleum, stating that with respect to the audit of the books of the packers he was fully conversant.

An *Aide-Mémoire*, enclosing the desired memoranda, was prepared and delivered to Ambassador Remorino on December 28 in Spanish translation. A copy in English is enclosed.

It appeared that this first discussion with Ambassador Remorino was the most appropriate occasion on which to sound out matters with reference to petroleum as directed in the Department's telegraphic instruction No. 785 of December 22.² Following my general discussion with him it appeared wise not to take up the substance of the note which it had been proposed to send to the Argentine government and which the Department in its telegram under reference instructed this Embassy to deliver. Because of this, and further developments of last evening, the Embassy plans not to deliver the note at this time. The memorandum concerning petroleum which was given to Ambassador Remorino was prepared after consultation with representatives of both Standard and Ultramar. It will be noted that supplies of crude oil only are mentioned. The matter was thus limited because of the possibility of importing crude oil for sterling. I wished to raise no

² Not printed.

other issues such as supplies, equipment, tetraethyl lead, etc. which would inevitably involve the question of dollars. These matters will, of course, have to be dealt with in due course.

Last evening, December 28, I had a private showing of the new movie "Samson and Delilah" for President and Mrs. Perón. Following dinner with them, occasion was taken to have a discussion with the President on these same matters. The good work of the Committee was referred to, and hope expressed that we could move rapidly towards a solution of over-all economic problems. I told him I was prompted as a friend and as a well wisher of Argentina to point out that the scene was not yet set to best stage the play. Mention was made of the favorable publicity and the better climate which would ensue by settlement of some problems which required no use of dollar exchange, and which I thought he could accomplish very readily. I outlined these three matters, and requested that he take direct action in their settlement rather than to allow them to languish in the hands of the Economic Council. I gave him a copy of the *Aide-Mémoire* and of the memoranda in Spanish. The President promised me that he would study the memo and would at once take up consideration of these matters. I found his attitude to be one of sincere interest, and helpful. His action on them should furnish a proof of good faith. Should he move rapidly and effectively towards their accomplishment. I would hold strong hopes for adequate settlement of a whole range of problems. Should, on the other hand, action be delayed and the matters become the subject of further delaying tactics among the ministers of the cabinet, I would [hold?] out no high hopes that the groundwork of the Committee will result in a fruitful end.

The Department will be informed of developments.

STANTON GRIFFIS

[Enclosure]

AIDE-MÉMOIRE

The Joint Argentine-U.S. Commission, which has been in the United States for some months, has done a magnificent work under the direction of Ambassador Remorino and Assistant Secretary Miller. Its work has been completed and the reports covering its conclusions are now in the hands of both governments for study. I believe that it has laid a firm foundation for solving the many financial and trade problems which have arisen between the two countries following the great war.

These problems, however, are great and varied. They cannot be solved over night, and a solution can only be reached with good

will on both sides and with careful negotiations. In the meantime, continued attacks in the Argentine press against the United States and strong criticism of Argentina in the American press have created an atmosphere which is far from favorable for the solution of delicate financial problems. In the Argentine are represented many large and powerful American business firms working under great difficulties on account of the existing exchange problems. Their difficulties, too, constantly offset public opinion in the United States.

However, it is my firm belief that without in any way complicating or touching such exchange problems, the entire atmosphere existing in the United States might be greatly cleared and the stage set for thoughtful and constructive negotiation if Argentina would take three simple actions, none of which involve dollar exchange and all of which need only be assured for a limited period until we have further time to solve, or attempt to solve, the commercial and other problems which exist between the two Governments. All of these problems have been discussed many times and in almost all cases the attitude of the Argentine Government has been expressed as favorable but has not been implemented.

Following are the three suggestions:

(1) That Argentina permit the two American oil companies to receive, through sterling purchases if necessary, sufficient crude oil and/or supplies which will permit them to operate for a period of one year on a comparable basis with the crude supplies obtained by YPF.

(2) That Argentina permit for one year the unlimited import of American motion pictures without any dollar payment whatever but with the complete understanding that Argentina is already entirely able through existing laws to control the extent of the exhibition of these pictures in its theaters.

(3) That Argentina promptly implement its promises to the *frigorificos* to make a complete audit of their books up to December 31, 1949, so that the financial relationship between the Government and the *frigorificos* may be definitely determined.

Referring to the above first paragraph relating to crude oil, and the second paragraph referring to motion pictures, brief memorandums are attached. As to the third paragraph above, referring to the audit of the books of the *frigorificos*, a memorandum covering this matter was presented to the Economic Council within the past week.³

None of these problems which I have pointed out, in any way touch dollar exchange difficulties. Their solution would clarify and at least temporarily solve a very large percentage of the problems of American business here. All of them in former presentations have

³ Not printed.

been received sympathetically by Argentina but no action has resulted. If these three great basic problems could be solved for the moment, we could, in a far happier climate, turn our efforts here and the efforts of the Department of State to solving the great basic financial questions.

BUENOS AIRES, December 28, 1949.

[Subenclosure 1]

MEMORANDUM

THE AMERICAN PETROLEUM INDUSTRY IN ARGENTINA

The two Argentine affiliates of the North American oil industry (Standard and Ultramar) have for years been actively engaged in producing, importing, refining, transporting and marketing crude oil or petroleum products. These affiliates have been dependent upon imported crude oil for the bulk of their refining requirements and during recent years imported crude comprised 90% of refining throughput.

Although those companies had been able in the past to obtain import permits and dollar exchange for all of their imported crude oil requirements, these imports were stopped at the beginning of 1949 because of the dollar shortage. Following the signing of the Anglo-Argentine Trade Agreement, whereby Argentina was to receive stipulated amounts of crude oil and petroleum products from sterling sources, the affiliates formally requested YPF for permission to import their normal crude oil requirements from sterling suppliers. This request was denied on the ground that the full crude oil quota under the trade agreement had already been contracted for by YPF. Although the companies' request was made before YPF could have legally signed such a contract, the companies' subsequent protests have been to no avail.

Unable to import crude oil directly, the companies have been dependent upon YPF for whatever crude oil this government entity has been disposed to sell locally. The companies' objections to this system of purchase, in contrast to direct importation of crude oil by the companies are many and serious:

1. The cost to the companies is at least 20% greater because of YPF's higher billing price.

2. Additional local transportation and handling charges frequently increase the laid-down cost to the companies by another 10 to 15%.

3. One of the companies is required to accept certain amounts of "reduced crude" from which YPF has already skimmed the normal gasoline and kerosene content.

4. Unscheduled and sporadic deliveries, sometimes interrupted for weeks at a time have resulted in frequent shut-downs which make for excessively costly refinery operation.

5. The strain on refinery equipment caused by these shut-downs and start-ups is particularly serious, because of the difficulty in obtaining spare parts and repair materials under present circumstances, and is impairing the value of the companies' refinery investment.

6. As a result of YPF's declared inability to supply suitable crude, one of the companies (Ultramar) will be forced to suspend all refining activities within two weeks.

7. Apart from the foregoing practical considerations the companies are being arbitrarily deprived of their constitutional right to carry on, without discrimination, a legitimate and useful operation.

When the companies are again allowed to import their crude oil requirements directly, they will not only be able to schedule deliveries in more orderly fashion, but will avoid the serious pecuniary losses involved in the YPF price mark-up and unnecessary handling costs.

BUENOS AIRES, December 28, 1949.

[Subenclosure 2]

Memorandum

AMERICAN MOTION PICTURE INDUSTRY IN ARGENTINA

During the past eight months no import permits into Argentina have been granted for American motion pictures and the industry has now completely used up stocks on hand.

Existing laws in Argentina restrict the exhibition of foreign pictures in favor of the national product and Decree No. 21344-44 (Law 12999, Compulsory Exhibition of Motion Pictures) places all motion picture exhibition under the strict control of the "Dirección Espectáculos Públicos" for all the *cines* of the country. Accordingly, not only the market itself but national law rigidly controls the exhibition in Argentina of American pictures.

However, Argentina is the only country in Latin America which does not permit the free importation of pictures, and in other countries pictures enjoy the same privileges as other artistic or cultural manifestations which are not subjected to restrictions. Should the American industry accept a quota of imports, as has been suggested, a precedent would be established which, if followed by other countries, would affect not only pictures produced in the United States, but also Argentine pictures, which would thus find their field of exploitation curtailed.

Thus the interests of both countries are parallel. The motion picture theaters of Argentina are suffering and will continue to suffer severe losses if the import of American pictures is not permitted, and the nation will, as pointed out above, create a principle of restriction which will in itself be detrimental in the long run to Argentina.

With the full knowledge, therefore, that existing laws per se control the showing of American pictures in Argentina, and that the American companies are willing to send in the product without even requesting dollar exchange for their actual print costs, it is respectfully submitted that it is to the interest of Argentina to accept the principle of free and unlimited import of American pictures.

Finally, may it be pointed out that substantially no other medium influences good will between nations as does the showing of motion pictures, and that in the United States the influence of the motion picture companies on public opinion is substantially equal to that of the press.

BOLIVIA

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND BOLIVIA¹

Editorial Note

In late May 1949, violence broke out in the Bolivian tin-mining area of Catavi consequent upon a strike by workers protesting the arrest and exile of certain labor leaders and other persons suspected of being involved in a plot led by the Movimiento Nacional Revolucionario (MNR) political party to overthrow the Bolivian Government. Two Americans, among a number of persons held hostage by the mine workers, were killed before the situation was brought under control by the Government.

For the texts of statements issued by the Department of State on May 31 and by Acting Secretary of State Webb on June 1, see Department of State *Bulletin*, June 12, 1949, page 764. Documentation on the events of this period is contained principally in Department of State decimal files 824.00 and 824.5045.

In the ensuing months, the United States Government made numerous representations to the Bolivian Government for trial and punishment of the individuals responsible for the crimes at Catavi; see airgrams 287, December 22, to La Paz, page 545.

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 329 ff.

824.00/8-2749 : Telegram

The Chargé in Bolivia (Espy) to the Secretary of State

CONFIDENTIAL
PRIORITY

LA PAZ, August 27, 1949—6 p. m.

481. President Urriolagoitia¹ urgently summoned me to palace from which interview I have just returned (6 p. m.). President gave me following account what has occurred in revolutionary uprising. Santa Cruz is definitely in control of MNR and fighting is continuing

¹ Enrique Hertzog, President of Bolivia since 1947, had stepped aside in May 1949 for reasons of health leaving Vice President Mamerto Urriolagoitia as Acting President. Mr. Hertzog formally resigned on October 18, and Mr. Urriolagoitia was inaugurated on October 24 to serve the remainder of the 4-year term.

in Cochabamba. Rest of country however including Oruro, Potosi, Tarija and along border with Argentina is quiet and under control of government. At Potosi MNR took [*sic*] this morning seized police station but army troops were moved in today and now in control. Situation at Sucre is unknown, however, as it has been impossible establish communications with that city.

As regards Cochabamba, according to President group of army officers of Estado Mayor plus army garrison of approximately 200 troops joined with band of MNR civilians in uprising. Police there has remained loyal together with some of army and fighting is taking place between two groups partly in center of town and partly at airport. I gathered from what President said latter is a "no man's land". The two military airplanes that were at airport were flown off, and President referred to Santa Cruz radio reports in belief that they have gone to Argentina or some other southern country to pick up Paz Estenssoro and other MNR leaders and bring them back to Bolivia. He has no definite information this respect. 2,000 troops are being sent from Oruro to Cochabamba and it is expected that they will arrive there by dawn tomorrow morning.

President said all was tranquil in La Paz following some arrests made last night.

Following this description developments President asked whether there were any US military planes in this country. Informed him that we had one mission and one air attaché plane here. He then said that due to fact that number of Bolivian planes were tied up in air field Cochabamba and lack of other Bolivian planes army was short of this form mobile transportation and he inquired whether if need should arise, our two planes could be made available for transport of oil and gasoline et cetera. He stated that he did not anticipate making this request but he wished learn in advance my view. I refrained from offering any comment except to say that I, of course, had no authority to make planes available and that I would have to receive instructions from my government. I assume that Department and NME would not be willing to grant such permission and I strongly urge refusal. Immediate telegraphic reply however is requested.²

I had previously requested appointment with Foreign Minister.³ However, as occasion of my audience with President presented itself beforehand and as Foreign Minister, General Rivera, Commanding General of Army, and Colonel Terrazas⁴ later joined meeting, I took

² The Department's telegram 218, August 28, to La Paz read as follows: "If pressed reply question raised Pres (urtel 481, Aug 27) shld state no auth reed make use US mil planes in Bol. For ur info Dept does not approve use US mil planes support such mil operations." (824.00/8-2749)

³ Alberto Saavedra Nogales.

⁴ Col. David Terrazas, Chief of Staff of the Bolivian Army.

opportunity inquire regarding safety American citizens particularly in mining camps. I repeated to President information I had received from Mr. Deringer ⁵ from Catavi and Deringer's view of possibility serious danger safety Americans should revolution appear to be gaining ground (see Embtel 480 ⁶). I stressed that I did not wish advise Americans leave mining camps unless it was case their immediate danger particularly avoid further uneasiness and tension created by their evacuation and also as regards unnecessarily upsetting Americans themselves. President stated that government has no information of any disturbances or threats of disturbances in any of mining centers, in which General Rivera concurred, but promised me that should any likelihood of danger safety of Americans or other foreigners appear he would so immediately advise me. I politely reiterated to President that I had to consider safety of Americans and, of course, as they were here in Bolivia it would be responsibility of his government to assure them full protection.

As I was leaving palace I met Deputy Carlos Gonzalo de Saavedra, with whom I spoke for a few minutes. He gave me further details of debate that occurred in Congress this morning, in which Jose Antonio Arze viciously attacked US for imperialism et cetera and Saavedra forcefully refuted Arze's statements. Saavedra said that he and his party would continue to oppose Arze and uphold American friendly and cooperative relations with Bolivia.

Military mission here has been in communication mission officers Cochabamba; all Americans safe and remain in homes.

Pass to NME repeated Buenos Aires, repeated Lima, Santiago pouch.

ESPY

⁵ DeWitt C. Deringer, manager of the Patiño mines at Catavi.

⁶ Not printed.

824.248/8-2949 : Telegram

The Chargé in Bolivia (Espy) to the Secretary of State

CONFIDENTIAL NIACT
PRIORITY

LA PAZ [undated.]¹

484. I was again called to palace 5:30 p. m. (August 28) and was met by President, Mollinedo, Minister Government, General Rivera, Terrazas, Chief of Staff, and FonMin.

President launched into most urgent plea for immediate military equipment from US in form of ten fighters and ten bombers. General

¹ The telegram was received in the Department of State on August 29, 1949, at 3:23 a. m.

Rivera proposed they be declared surplus from Panama and either they be flown here or Bolivia pilots go Panama, pick them up and bring them back.

After great insistence from President and others agreed to transmit request to Washington. Said, however, in view Department's instructions to me at beginning June following Bolivian Government's previous request for military equipment,² that I must honestly state it was my personal view that little hope could be held out that these planes could be made available Bolivia. I mentioned that there was no law or authority for transfer military equipment to the Governments of friendly countries and that this did not apply Bolivia alone but to all countries in American Hemisphere. Also mentioned there was a law now in Congress that might enable our Government to do so but it had not been enacted.

The insistent tenor of President's conversation and of his ministers indicated strikingly serious situation here now. It was mentioned only four transport planes now available to Government which they have been using for bombing purposes, having attacked Cochabamba airport at least three times today.

Mollinedo went on to elaborate on President's statements saying the forces of Bolivia were too small to meet uprisings that were occurring in various parts country and distances too great to move land forces from one place to another. He emphasized that the holding of La Paz was absolutely imperative if this democratic government to survive and therefore it is not possible divert troops now protecting city area to other places. Only by quick mobility and striking force large planes could government attack rebel groups all over country.

President and all Ministers stressed idea that this revolution had been very well planned and organized and its design was probably to take control of major cities and outlying areas in the rest of Bolivia and the revolutionary forces could converge on capital. At present Santa Cruz and Cochabamba are controlled by MNR. Latter also possibly with cooperation of PIR (latest information at Embassy is that although there is no fighting in Potosi, it is probably held by MNR).

² Telegram 103, June 1, to La Paz (not printed), indicated that the Bolivian Ambassador in Washington had asked for assistance in obtaining such specific military equipment as 10 attack bombers, 25 armored cars, 3 radio communications sets, and 5,000 each of uniforms, blankets, pairs of shoes, and sets of individual equipment. The request was made in connection with the outbreak of violence in Bolivia in late May; see the editorial note, p. 525. The Department of State reported that it would inform the Bolivian Ambassador that no legal authority existed permitting the transfer of the requested equipment and that the only source of supply was the commercial market. (824.5045/6-149)

President Urriolagoitia then said to me that "I and my government are convinced that this MNR revolution was aided and supported by Argentine Government and that it was the determination of that government to establish a government friendly to itself through which it could establish an Argentine-Bolivian axis". President indicated that it was extremely difficult to obtain absolute proof but in his opinion this conclusion was inescapable from money and arms available to MNR rebels, concentration of Bolivian military in Argentina at Bolivian frontier and other bits of information government had picked up. Latter included report that two Argentine officers had come to Bolivia and disappeared and desertion of Bolivian Army officers in various parts of country whom government believed had been suborned by Argentine money and military influence.

In Embassy's estimation, situation during course of day has definitely worsened. What next moves of revolutionaries will be are unpredictable but if government is not successful in putting down insurrection within next few days, it may become very serious here including great danger to lives and safety of foreigners as result irresponsible action miners and other indigenous elements. Probably tonight and next two days will be critical. Thirty-eight American and other members company staff were brought safely to La Paz at 7:30. Americans in Cochabamba are being concentrated at Cochabamba hotel.

If anything can be done assist present government with military planes I would greatly appreciate being immediately so informed. President has also directed Foreign Minister to cable Bolivian Ambassador in Washington to approach Department.³ Air attaché advises me our modern fighters and bombers not be within capabilities Bolivian pilots to operate successfully and that best airplane for them would be a T-6 loaded with metal link machine gun ammunition.

President did not again raise subject Embtel 481, August 27 and Deptel 218, August 28.⁴

Sent Department repeated Buenos Aires, Lima and Santiago.

³ Telegram 228, September 2, to La Paz, informed the Chargé that the Bolivian Ambassador on the previous day had made an urgent plea in the State Department for transport planes, advanced trainers, and certain armament, but he was advised that the U.S. Government was not authorized to sell or give arms or planes and that the material desired might be obtained from commercial sources (824.248/8-3049). Telegram 229, also dated September 2, to La Paz, stated that the Bolivian Ambassador had renewed his request to President Truman at a meeting on that morning; Mr. Truman, however, made no commitments (824.00/9-249).

Also on September 2, Deputy Under Secretary of State Dean Rusk informed the Chilean Minister Counselor Mario Rodríguez, whose government had endorsed the Bolivian request for U.S. military aid, that no legislative authority existed to meet the request (824.00/9-249).

⁴ See footnote 2, p. 526.

824.248/8-3049 : Telegram

The Chargé in Bolivia (Espy) to the Secretary of State

SECRET NIACT

LA PAZ, August 30, 1949—1 a. m.

489. It would be greatly appreciated if immediate reply be sent mytel 484, August 28. Embassy receiving reports of discontent Bolivian Government our failure render any assistance in way of military equipment during this present trial. Military and Air Attachés continue to be subject to further urgent requests high army authorities for immediate supplies.

In conversation which Military Attaché held with General Rivera this morning, former explained that there were probably no Bolivian pilots who could successfully operate high performance fighter and bomber aircraft and therefore this equipment even if available would be of practically no use to Government in this time of need. General Rivera replied that this was possibly so and indicated that he had been urged to apply for equipment by his air officers.

Bolivian loyal forces have approximately 6 AT sizes which are capable of being armed with 30 caliber aircraft type machine guns for which he has neither machine guns nor metal belt links and appropriate ammunition. Embassy inquiries whether this armament and ammunition could not be made readily available either from official or commercial sources and if so, shipped immediately by air. It would immensely hearten Bolivian Government's morale and improve its means of coping with revolutionary uprising.

As also reported my 484, on advice of Air Attaché, Government could possibly use further AT 6 planes and if these could be made available, psychological effect of this gesture would be most useful here. President assured me and General Rivera also informed Military and Air Attachés that funds are available for purchase foregoing mentioned equipment.

Again repeat that immediate message to me would be most useful in order that I could make some statement to President in reply to his urgent request of Sunday afternoon, August 28. If no better, at least I would hope that Department could authorize me to extend some appropriate expression of sympathy and encouragement. I have already, of course, mentioned to President and other members of

Bolivian Government, regrets over this unfortunate trial through which Bolivia is now passing.¹

ESPY

¹The Department's reply was contained in telegram 221, August 30, to La Paz, the text of which read as follows:

"You may inform Pres this Govt intends comply requests for arms assistance to the extent permitted existing US legislation.

This connection you shld state Dept and Emb here urgently exploring possibilities commercial purchase by Bol 30 cal aircraft machineguns metal belt link ammo equip six AT sixes reported urtel 489, Aug 30 available meet present emergency.

Views expressed urtel 484, Aug 28 re legal authority transfer arms LA countries correctly reflect present situation." (824.248/8-3049)

824.00/8-3149 : Telegram

The Chargé in Bolivia (Espy) to the Secretary of State

SECRET

LA PAZ, August 31, 1949—10 p. m.

494. Late yesterday afternoon, I received telephone call from Apostolic Nuncio, Dean Diplomatic Corps. Informed me proposed diplomatic corps issue through him statement based humanitarian grounds calling on fighting elements respect lives prisoners. A report circulated during day that two or more government pilots in hands of rebels had been murdered by their captors. I then telephoned Chilean Ambassador, sponsor this action, who said that wife Colonel Terrazas, Chief of Staff, had urgently appealed to him for intervention by diplomatic corps save life her relative who pilot and held by insurgents at Cochabamba. I informed him questioned propriety this intervention. Chilean Ambassador insisted was purely humanitarian step, and in no way intervention in internal affairs country. A meeting was scheduled for 8:30 last night to consider communiqué to be issued.

At meeting corps presented with communiqué, which to my amazement and alarm, so phrased as to be appeal to "combatants" as if they were on equal standing and had status of belligerency. Chilean Ambassador explained "we cannot be standard bearer for either side".

I felt that this implied recognition belligerency MNR revolutionaries so important that I must take immediate issue. British Chargé d'Affaires was of same opinion. I said that, although I wholeheartedly supported humanitarianism, I was strongly opposed wording communiqué which would seem give tacit diplomatic corps recognition revolutionary forces; that I and other members of corps

were representatives to duly elected constitutional democratic government of Bolivia, and that we had no right intervene in affairs of country, particularly such manner appear give impression other than that unlawful rebellion those seeking overthrow government. I further raised question implication communiqué proscribing government punishing rebels, as in case some army officers guilty treacherous treason. I added finally that report re murdering two pilots at Cochabamba had not been established and I wondered whether we should not wait until definite confirmation received. (Today's press reports prisoners not killed.)

To my and others amazement, we were then told that communiqué had been handed three hours before to radio stations for broadcast, and that two ambassadors, those Argentina and Peru, and Papal Nuncio, had felt matter such emergency that they believed they should not wait for approval text by rest of corps. British Chargé d'Affaires and I took strong exception pointing out all members corps could be reached during afternoon for consultation.

Argentine Ambassador then launched into discussion his views matter. He said he had given communiqué to radio stations, and also assisted in its drafting. He spoke of the "two bands" of combatants, never once using words revolutionaries, rebels or insurgents and asserted that this was case civil war in which both sides had rights. I interrupted him to say that legally it was not civil war as had not been so designated by government and, therefore, considerations pertaining that basis could not be applied. Ambassador stated he had every right speak for corps as he spoke for majority, even though no prior expression their views except Ambassadors of Chile and Peru. He had effrontery say to us, those who disagreed communiqué could disassociate selves from it. At this point, Minister Colombia intervened, pronounced strong disapproval action in publishing statement before acceptance entire corps, said his opinion text inappropriate and suggested certain changes. These made altering communiqué appeal avoidance cruelty and respecting lives prisoners humanitarian grounds which broadcast last night and carried this morning press. Meeting ended assurance Nuncio no repetition this incident.

This morning I called on Chilean Ambassador express hope no misunderstanding my point view last night. In our friendly chat, Ambassador said that he thought I had been entirely right, and that he had not had his eyes fully open to force of implications communiqué other than its intended humanitarian approach. He mentioned that Argentine Ambassador, in doing part drafting, had insisted statement "must be forceful". My and British Chargé's

opinion Argentine Ambassador seized opportunity twist context communiqué deliberately express tacit support rebels.¹

Sent Department 494, repeated Santiago, Buenos Aires, Lima.

ESPY

¹ The text of the Department's reply, contained in telegram 230, September 2, to La Paz, read as follows: "Reurtel 494, Aug 31. Dept strongly approves your position on proposed statement Diplomatic Corps." (824.00/8-3149)

824.00/9-249 : Telegram

The Chargé in Argentina (Mallory) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, September 2, 1949—6 p. m.

NIACT

759. Yesterday had appointment Foreign Minister¹ but broken and saw Under Secretary. Touched on Bolivian situation in passing and clear he uninformed.

Deptel 564, September 2 [1] and La Paz telegram unnumbered August 31 arrived very opportunely.² Late last night, Foreign Office stated President³ would receive me 10 a. m. today. President had Bolivian Ambassador and Foreign Minister present. President immediately began by speaking at length of diffusion Perónist ideas in other countries, especially contiguous, saying no embargo on ideas but what succeeded in Argentina not necessarily applicable elsewhere. Stated had no interest what happened other countries. Refuted flatly charges he endeavored foment revolt Chile, Peru. Said revolt Chile easily purchasable five million pesos but Argentina uninterested. However, other countries appeared resent Argentina's successes. Stated bluntly there was bad faith in Chile and Uruguay and that charges of Argentine intervention affairs other countries fomented by them. Stated had ample documentary proof exhibiting large photostat chart diagramming Junta Americana Defensa de la Democracia on which name John Griffiths noted.⁴ Said activities could grow same way as

¹ Hipólito Jesús Paz.

² Neither printed. The unnumbered telegram referred to was presumably a repeat of telegram 493, August 31, from La Paz, which gave a very brief summary of the incident recorded in telegram 494 from La Paz, *supra*. In telegram 493, Mr. Espy expressed apprehension about possible Argentine recognition of the state of civil war in Bolivia and the belligerency of the MNR forces, which might then lead to Argentina's supplying arms to those forces (824.00/8-3149). In telegram 564, September 1, to Buenos Aires, the Embassy was instructed to discuss at an early appointment with the Argentine Foreign Minister the question of U.S. concern over the Bolivian situation and particularly the possibility of foreign influence therein (824.00/9-149).

³ Juan D. Perón.

⁴ Mr. Griffiths, Cultural Attaché and Special Assistant in the U.S. Embassy in Buenos Aires, 1941-1946, had been accused by the Argentine Government in 1948 and 1949 of being involved in a plot to assassinate President and Mrs. Perón.

notorious Caribbean Legion ⁵ and eventually profit Communists. Stated bad faith and activities other countries unfortunate and if continued grow, he might be forced take measures. Stated with reference Bolivian situation, his information that Governments Chile and Bolivia arranged concordant representations their Ambassadors in Rio and Washington implicating Argentina in Bolivian uprising. Said this likewise bad faith. Said in view above, had requested presence Bolivian and myself for amicable discussion. Preferred work things out without discord. Said Bolivia aware Argentine measures for internment etc. exiles others in Argentina and he unable take additional measures unless he closed Bolivian frontier. This, he said, would serve no good purpose.

Bolivia[n] related border incidents passage people to Bolivia stating had no doubts good faith and word President but appeared there had been lack compliance orders and vigilance lower echelons. As conversation developed, President successively called in Chief Federal Police Bertollo, Acting Minister War Lucero and head Gendarmery Martini. In lengthy discussion details, each officer maintained strictness orders and probity of men but explanations weak especially General Bertollo as Bolivian Ambassador able cite people, dates, places. This discussion ended in Perón's orders for increased vigilance.

Bolivian Ambassador pointing out esteem for Perón among laboring classes other countries said President's name often used incorrectly and rebel groups Bolivia stated Perón ready aid them. Made specific point rebels statements that aircraft and munitions would be flown from Argentina to Bolivian rebels. Argentines said this not possible. Ambassador requested increased vigilance all airfields etc., and orders given Minister Air increase vigilance.

Bolivian Ambassador made reference Argentine press, noting overnight change tone certain newspapers previously friendly Bolivia. Perón countered with long explanation absence control press Argentina and some previous attacks in Bolivian press on Argentina.

Bolivian, whose statements and conduct throughout were firm and clear, reiterated his faith in words and statements of President but left little doubt preoccupation of some possible assistance to rebels and kept harping on personalities, exiles etc., I then entered conversation saying I was unaware any initiative Chile Bolivian Governments against Argentina as President declared and that while discussion numerous details of great interest, position of US was as always interest in maintenance peace and lack interference internal affairs other countries. I said audience with President and Foreign Minister opportune

⁵ A group of political exiles and military men from countries in the Caribbean area with the alleged aim of overthrowing certain dictatorial governments in the area.

as had this morning received communication my Government's concern Bolivia and instruction bring to attention Argentina our traditional stand and hopes no other country would interfere domestic affairs Bolivia. Mentioned rumors outside help or interference. Mentioned need for some calmness and took opportunity without specifically mentioning Argentine Ambassador to relate events contained La Paz unnumbered telegram, August 31, saying representatives other countries La Paz should also maintain calm and not interfere pointing out danger *de facto* recognition belligerence etc. All, especially President Perón, heartily agreed. Finally, Bolivian Ambassador summarized conversation again touching on need real vigilance Argentine authorities to which President Perón replied by clear declaration that Argentina had not and would not interfere domestic affairs other countries.

Perón apparently sincere in statement and frank exchange may clear air between Argentina and Bolivia. However, my impression Perón resents role of whipping boy assigned him and could react strongly if anything resembling campaign directed against Argentina. Argentine good faith may remain to be shown but at this point, little basis prove complicity.

Sent Department Niact 759, repeated La Paz, Santiago, Montevideo, Rio de Janeiro.

MALLORY

824.248/9-849 : Telegram

The Chargé in Bolivia (Espy) to the Secretary of State

SECRET

LA PAZ, September 8, 1949—6 p. m.

514. In official and also some public circles here being voiced rather bitter criticism of US for our government's failure make available military aircraft which Bolivian Government has requested assist if put down revolution. Besides resentment of Bolivian Air Force I have received appeals for assistance or expressions of dissatisfaction because it is not forthcoming from such quarters as groups of women, the leader of the PUSR, Edmundo Vasquez, and important public figure Rene Ballivian.

Day before yesterday I had a long conversation with Ballivian in an effort to explain to him our position and the realities of the situation. (Re Embtel 502, September 2, and telegram 31 to USAF from Colonel Hussey¹) I sought this occasion to confer with Ballivian as I had been indirectly informed that he was proposing have an editorial published on subject in important morning newspaper, *La*

¹Neither printed. Lt. Col. John J. Hussey was the Air Force Attaché at the U.S. Embassy in La Paz.

Razón. Ballivian recognized correctness of our position and realities of situation but kept stressing planes needed for morale value to government and democratic elements supporting it.

Yesterday Bolivian Government bought from Manager of Panagra in Lima, Walker, an unarmed P-38, two engine war surplus plane and it was delivered La Paz same day. Price paid reportedly was \$6,000. Plane now being equipped with 30 caliber machine guns.

Embassy hopes current feeling resentment die down when present crisis is over and its recommendations remain same those reported its 502 September 2 and particularly Colonel Hussey's telegram No. 31.² It is felt necessary, however, apprise Department feeling here.

Embassy understands other 300,000, that was to be provided by Banco Minero for purchase of planes being withheld pending final determination of availability and export of planes from US. Embassy ventures suggest value to Bolivia of investment \$300,000 that Pol took with him to US in transport planes. Press today reported seven transport aircraft in hands of rebels out of commission (from possible ten they held). Since need for fighter planes is quickly diminishing transport planes much more necessary for future well being of country.

ESPY

²In telegram 502, Mr. Espy reported that the Bolivian Government, without consulting the U.S. Embassy, had sent Bolivian Air Force Major Germán Pol on a mission to the United States to purchase planes. Mr. Espy understood that Major Pol had with him a check for \$300,000 and that arrangements were being made to provide him with another \$300,000. The portion of telegram 502 containing the Chargé's recommendations read as follows:

"I have had full discussion with top Embassy staff, including Air and Military Attaché and in further elaboration telegram sent by Air Attaché we wish call special attention to following factors:

(a) That capability and maintenance facilities Bolivian Air Force is not up to operation fighter type aircraft.

(b) That expenditure of \$600,000, therefore, probably unjustified.

(c) That, if planes are used to destroy transport aircraft now in hands of rebel forces and which will probably be out of operation any minute through lack of maintenance and gasoline in short while, this will constitute heavy blow later to Bolivian economy.

(d) That, if statutory limitations would prohibit exportation of fighters purchased by Pol in open market, Pol and Bolivian Government again should be made to understand this immediately upon Pol's arrival in Washington in order prevent his wasting money involved." (824.248/9-249)

824.248/9-849 : Telegram

The Secretary of State to the Embassy in Bolivia

RESTRICTED

WASHINGTON, September 9, 1949—9 p. m.

238. Dept keenly interested assisting Bol Govt present difficulties and has left no stone unturned within legal limitations help local reps

procure needed aircraft and armament. Thru efforts Depts Army and Air Force clearance obtained sale by commercial source certain items in stock desired by Bol.

Several fighters located by Emb and Pol but none yet purchased. Amb states never intended buy more than three. This AM Dept tactfully suggested perhaps advisable purchase transports instead fighters in view grounding seven of ten planes hands rebels. Suggestion well recd but no definite decision made. Export licenses for purchases, including aircraft, to be expedited by Dept as required. One C-47 transport purchased this week leaving Sept 12 with cargo police equipment, grenades, etc.

Moral support given Bol Amb throughout. Press statement issued. (Deptel 234, Sept 8 ¹) Little more Dept can do as Emb knows.

No objection making discreet use above info in discussions officials or prominent individuals such as Ballivian. You shld emphasize this Govt sympathetic present democratically-elected Govt Bol but Dept obviously cannot take action prohibited existing US legislation.

ACHESON

¹Telegram 234 not printed. The text of the statement, issued on September 8, as printed in Department of State *Bulletin*, September 26, 1949, p. 472, is as follows:

"The United States Government has been and is deeply concerned about the events which have been taking place in the friendly American Republic of Bolivia. The freedom-loving citizens of the United States whose representative government is based on periodic free elections cannot fail to be disturbed when a minority political group in any country attempts by force of arms to overthrow a government which has gained its right to authority through genuine elective processes."

824.00/9-1449 : Telegram

The Secretary of State to the Embassy in Argentina

CONFIDENTIAL

WASHINGTON, September 14, 1949—7 p. m.

584. At face value Perón statement Sept 2 (urtel 759 Sept 2) indicates Arg policy nonintervention present Bol rebellion has been same as US. In your next talk Perón emphasize this similarity and state US pleased note our nations apparently equally determined follow hands-off policy re internal affairs other countries.

For urinfo only

Conclusions reached urtel 759 indicating little basis prove Arg complicity Bol revolt confirmed by Depts info other nations surrounding Bol. Situation characterized by many charges and no substantial confirmation. Nevertheless Dept concerned certain statements Perón Sept 2 to you such as "might be forced take measures" if alleged bad

faith and activities surrounding countries continues grow and "revolt Chile easily purchasable five million pesos but Arg not interested". US policy is keep Arg reminded US vitally concerned nonintervention OAR and constantly vigilant to determine whether intervention occurs. Same time US does not wish point finger Arg or any other Amer rep long as substantial evidence intervention lacking. Therefore in further discussions Arg officials exercise care not arouse in Arg Govt belief US accepting or basing its expressions of concern on anti-Arg rumors. Goes without saying US would regard utmost gravity intervention anywhere in hemisphere.

ACHESON

824.00/10-1249

Memorandum of Conversation, by the Assistant Secretary of State for Inter-American Affairs (Miller)

SECRET

[WASHINGTON,] October 12, 1949.

Participants: Sr. Don Ricardo Martinez Vargas, Ambassador of Bolivia.
 Sr. Don Alberto Ostria Gutierrez, Ambassador of Bolivia to Chile and Member Bolivian UNGA Delegation.
 Assistant Secretary Miller
 Mr. King, NWC¹

Ambassador Martinez Vargas said he had called to present Ambassador Alberto Ostria Gutierrez who, while en route from his post in Santiago to New York for the United Nations General Assembly meeting, had spent several days in La Paz where he had received special instructions from President Urriolagoitia, including a letter² to be presented to President Truman. It was therefore in the capacity of Ambassador on special mission that he introduced his colleague. I expressed my pleasure at the opportunity to meet the Ambassador whose name was well-known to me.

Ambassador Ostria Gutierrez then launched into an exposition of the recent revolutionary attempt in Bolivia which he characterized as an effort to do away with democracy in that country.³ He viewed this effort as only a part of a larger plot, directed from Argentina, which was determined to end democracy in Bolivia, Chile, Ecuador and

¹ Spencer M. King, of the Office of North and West Coast Affairs.

² Not printed.

³ Airgram 397, September 19, from La Paz (not printed) reported that the revolt in Bolivia had ended within the past few days with the victory of the government forces. The Department, on September 16, had already instructed the Chargé to convey informally to the Foreign Minister congratulations on the termination of civil strife, which Mr. Espy did on September 21 (824.00/9-1949, 9-1549, 9-2349).

Uruguay and establish military dictatorships of the Perón type such as exist in Venezuela and Peru which would throw those countries into the Argentine political and economic orbits. He said the reaction of Bolivia's populace, especially the youth of the country, had been magnificent. However, the Bolivian Army was woefully under-equipped and only its steadfast loyalty enabled the democratic government to withstand the assault. He said he and other Bolivians, including President Urriolagoitia, were positive that they had won a battle but not the war—that further attacks would be made. He explained that his country was without the equipment and funds needed to ward off the blows against democracy—not only democracy in Bolivia but in the entire continent. He emphasized that Bolivia needs US help to prepare for the next round or it will perforce succumb.

Ambassador Ostria then said that during the recent rebellion the democratic people and government of Chile were solidly behind the democratic government of Bolivia. President Gonzalez Videla sent numerous messages of encouragement to Bolivia. However, and he said he would speak frankly, unfortunately there had developed a feeling in Bolivia that the US had let them down in their hour of trial. When they needed the moral and material aid of the US nothing arrived.

I interrupted to inform the Ambassador that we in the Department had done everything within our legal authorization to support the Bolivian Government and explained that this country is a Constitutional democracy where we must observe the laws of Congress. I said I had explained our position repeatedly to Ambassador Martinez Vargas, who always had been welcome and whose pleas had always fallen on sympathetic ears. I said I was disturbed by a memorandum I had just received quoting Ambassador Costa du Rels, Bolivian Delegate to the UN, as having said that Bolivia would not cooperate with the US if we did not cooperate with Bolivia. I said we in the Department had never failed to do everything possible for Bolivia and that we had not been derelict in our duty. Ambassador Martinez Vargas interposed that he appreciated the efforts made in Bolivia's behalf and understood fully the legal limitations under which the Department operated. He said he knew Mr. King had worked tirelessly to obtain the military equipment he had requested.

Ambassador Ostria resumed, explaining that he too realized the Department's limitations but that he was attempting to indicate the feelings and reactions of the Bolivian public, uninformed as it is and able to judge only in the light of accomplishments and material things. They saw not one airplane nor piece of equipment from the US all during the revolt and they were somewhat disillusioned.

He went on to say that Bolivia needs moral and material aid. Moral aid might be in the form of US pressure on the Argentine Government to control Bolivian exiles and desist in its aid and cooperation to Bolivian revolutionaries as exemplified by the virtual invasion of Bolivia from Argentina during the last rebellion. I again broke in to inform him that our Chargé in Buenos Aires had called on General Perón and had made our position on intervention very clear. Furthermore, the Secretary, in his address of September 19,⁴ made the US position most clear on this subject. The Ambassador said he knew of the Chargé's interview with Perón but asked if this took place before or after the revolution. I said it took place during the trouble and, in view of his skepticism, asked if he believed differently. He merely said that it occurred after the invasion of Bolivia had taken place and therefore did nothing to help.

He said everyone in Bolivia was convinced of the pro-MNR sentiments of Perón and Argentine officialdom. The MNR, a Nazi-Fascist organization which would bring back tyranny, oppression and bloodshed to Bolivia, obviously received funds from Argentina in addition to other aid. The Trotskyite-Communist Partido Obrero Revolucionario (POR), whose chief is Juan Lechin, joined Paz Estenssoro and the MNR as, in the end, the doctrines of both groups are similar. I asked what Lechin had done during the revolt. The Ambassador said Lechin, a Syrian, had received funds from the Syrian colony in Chile gathered by Juan Yarur and taken to Bolivia by Chilean Deputy Salum. The funds were provided because of a common origin and in anticipation of benefits to come their way from an MNR administration in Bolivia.

Ambassador Ostria Gutierrez went on to say that another way the US could give moral aid to the democratic cause in Latin America would be to make it clear that a revolutionary government would not be recognized. I said the Secretary, on September 19, had made our recognition policy most clear.

He then brought up the subject of arms and the need of the Bolivian Army and Air Force for tanks, guns, communications equipment, airplanes and individual equipment. I said our hands had been tied on the question of arms but that we now had new legislation which would allow South American countries to purchase military equipment for cash.⁵ Ambassador Martinez Vargas said he had in his hands a copy of the law just handed him by Mr. King and he thought it to be a great step forward. Ambassador Ostria was disturbed at the mention of

⁴ Reference is to Secretary of State Dean Acheson's address on September 19 before the Pan American Society of the United States in New York, the text of which is in Department of State *Bulletin*, September 26, 1949, p. 462.

⁵ Reference is to the Mutual Defense Assistance Act of 1949, approved October 6, 1949 (63 Stat. 714).

"cash" and asked if there were no provisions for credits. Receiving a negative reply, he launched into a description of the poverty of his country, the inability of the people to combat the threats to democracy and the dangers of fascism, nazism and communism, all of which he abhors. However, Ambassador Martinez said he thought they could find the money. Ambassador Ostria then said his country had paid a high price for its loyalty, having refused to buy Czech arms and then being denied US arms during the recent crisis even though it had the money to pay cash. Mr. King said the Munitions Board had today written the Department of the Air Force approving the sale of the fifty-seven machine guns requested by Bolivia and advised the Ambassador to have the Military Attaché resume his negotiations tomorrow.

Ambassador Ostria then summarized his earlier remarks, saying that one of his objectives was to prepare me for my visit to Bolivia. He asked if there were anything he could tell his government in reply to his questions concerning pressure on Argentina and the non-recognition of revolutionary governments. I said there seemed to be nothing to say and provided him with copies of the Secretary's speech on September 19 which explained US policy on these points.⁶

⁶According to a memorandum, dated October 31, from Deputy Assistant Secretary of State for Inter-American Affairs Willard F. Barber to Secretary of State Acheson, the two Bolivian Ambassadors met on October 28 with President Truman and informed him of the "continued [external] threats to Bolivian democracy" and the "precarious condition of the Bolivian economy". An attached background memorandum for Secretary Acheson expressed the belief that perhaps the latter threat to Bolivia's democratic Government outweighed the former. (824.00/10-3149)

824.6354/10-2149

Memorandum of Conversation, by the Assistant Secretary of State for Inter-American Affairs (Miller)

CONFIDENTIAL

[WASHINGTON,] October 21, 1949.

Participants: Sr. Don Ricardo Martinez Vargas, Ambassador of Bolivia
 Assistant Secretary Miller
 Mr. King, NWC

The Ambassador said he wished to take a few moments of my time to prepare me for my trip to Bolivia where, he was sure, one of the major topics of conversation would be tin.

First, the Ambassador explained the complete dependence of the economy of Bolivia on tin. He said about 80% of the foreign exchange available to the Government was derived from sales of tin, which amounted to almost \$60,000,000 last year. As an estimate, he said

about 90% of his country's business activity revolved around tin, directly or indirectly.

Secondly, he noted that Bolivia was a high-cost producer of tin, having poor ore bodies in remote locations which are very difficult to work. Increased costs of materials imported from the US have contributed to the high cost of production as well as the social benefits given to the workers in recent years. Because of its production costs, and the complex and poor nature of its tin concentrates, Bolivia cannot compete with the producers in other parts of the world. The Ambassador said that the large mines, such as Patiño, probably could operate at a small profit as long as the price remained at 99¢ per pound, but that he doubted whether any Bolivian mine could do so at the new price of 92¢.

The third item described by the Ambassador was the method of selling Bolivian tin. He said prior to the war most of Bolivia's exports went to the UK and Holland for smelting. In those days, there existed the International Tin Committee, which stabilized production and price. He said many Americans mistakenly called this a "cartel" but it really was not. It helped producers and consumers alike by bringing stability into a market which formerly had been subjected to great fluctuations. In 1940, Bolivia began selling about half its tin to the US, through annual contracts with the RFC. He said these contracts resulted from periodic negotiations where, in a purely commercial atmosphere, the sellers tried to get the highest price possible and the buyer tried to get the lowest price. Each year, after lengthy and sometimes heated debate, a contract was signed. After explaining the price provisions of the present contract, he noted that it would expire at the end of the year and that negotiators were now here to arrange a new agreement.

Then, at some length, the Ambassador dwelt on the conversations now in progress. He explained that the negotiators had been instructed to ask that the 99¢ price remain in effect for the balance of the year. This obviously could not be done since the present contract very clearly tied the Bolivian price to that of British tin docked in New York. That price went down seven cents—so did the Bolivian price. Secondly, the negotiators had instructions to ask that the 1950 price be 99¢. The Ambassador noted that the British Ministry of Supply probably would reopen the London Metal Market in the near future and there would be a free-market in tin, thus making it impossible for the RFC to pay Bolivia a higher price in the absence of special Congressional authorization. The RFC explained this to the negotiators who then asked if the decrease in price could not be compensated for by decreased penalty and smelter charges. However, the RFC indicated that, rather than lower these charges, it was faced with the necessity

of increasing them since its operating losses have gone up due to the receipt of progressively poorer ores from Bolivia. The Ambassador then said the two parties to the negotiations, their hands tied by legal restrictions, absence of authorization and urgent necessities, were so far apart that they never would be able to get together. What would happen he did not know, but it appeared to be a very serious situation.

The Ambassador suggested that Bolivian tin was of strategic importance to the US and that some arrangement should be made, for the benefit of the two countries, to insure that the industry, and probably the entire economic structure of Bolivia continue to exist.¹

¹ The negotiations did not lead to the signing of a new contract in 1949. After the outbreak of the Korean War in June 1950, the price of tin rose to 98 cents per pound, which price RFC agreed to pay in signing a contract with Bolivia covering delivery of roughly three-fourths of Bolivia's annual production of tin concentrates for 1950.

824.51/10-2549

Memorandum by the Deputy Assistant Secretary of State for Inter-American Affairs (Barber) to the Director of the Office of Financial and Development Policy (Knapp)

RESTRICTED

[WASHINGTON,] October 25, 1949.

As you are aware, there has been pending before the Export-Import Bank for about a year an application from the Government of Bolivia for a credit of \$26,000,000 with which to complete the Cochabamba-Santa Cruz highway project which was initiated according to the recommendations of the US Economic Mission which visited Bolivia in 1942 under the chairmanship of Mr. Merwin L. Bohan of the Department of State.¹

The Export-Import Bank proposed some time ago to finance $\frac{2}{3}$ of the current costs of completing the highway, up to a maximum of \$16,000,000, provided Bolivia could and would furnish the balance necessary. On October 14, the Bolivians furnished the Bank with a revised financial plan and other pertinent documents to support its contention that it could and would make the required contribution to the project.

Assistant Secretary Miller, prior to his departure for Chile, Bolivia and Peru, expressed to officers of the Department, the Export-Import Bank, and the Bolivian Embassy his desire that the troublesome Cochabamba highway matter be settled prior to his arrival in Bolivia on October 28. He received the assurances of all concerned that every effort would be made to resolve the problem prior to that date.

¹ For pertinent documentation, see *Foreign Relations*, 1942, vol. v, pp. 592 ff.

The Bolivian application is not on the agenda of the weekly meeting of the Board of Directors of the Export-Import Bank which is scheduled for October 26. It is requested that you raise the subject at that meeting and press the Board to take special action on the application either on October 26 or 27 in order that Mr. Miller may be informed of the decision upon his arrival at La Paz. Even though a final favorable decision may not be possible, conditional approval of the application of which Mr. Miller could inform Bolivian officials would be most helpful.²

² The Export-Import Bank authorized the \$16 million credit on October 28, 1949. Material on the Cochabamba-Santa Cruz Highway question is contained principally in Department of State decimal files 811.516/Export-Import Bank, 824.154, and 824.51.

824.51/11-2349

Memorandum by the Director of the Office of North and West Coast Affairs (Mills) to the Assistant Secretary of State for Inter-American Affairs (Miller)

CONFIDENTIAL

[WASHINGTON,] December 12, 1949.

There is attached despatch no. 672, from the Embassy in La Paz, dated November 23, 1949 and entitled "Comment on Bolivian Memorandum ¹ to Assistant Secretary Miller".

As you will recall, the Government of Bolivia, in the memorandum handed you by the Minister of Economy on October 29, requested four loans: 1) a short-term balance of payments loan; 2) a loan for agricultural development; 3) a petroleum loan; and 4) a loan for a tin processing plant.

In the attached despatch, Messrs. Espy and Hudson ² state that the Embassy cannot recommend the granting of the first three loans. They are non-committal on the tin plant loan, apparently not realizing that the application was withdrawn from the Export-Import Bank and that the matter is now in abeyance.

The Embassy has established three criteria for use in evaluating the Bolivian requests: 1) Bolivia's balance of payments prospects; 2) the desirability of development by foreign and domestic private capital; and 3) the existence, or lack, of an up-to-date over-all economic de-

¹ Neither despatch No. 672 nor the Bolivian memorandum are printed. The memorandum was transmitted to the Department under cover of despatch No. 650, November 10, from La Paz (also not printed) which reported on Assistant Secretary Miller's visit to Bolivia, October 29-November 1, 1949. Despatch No. 650 stated that Mr. Miller had not had time to study the Bolivian memorandum during his stay in Bolivia (111.12 Miller, Edward G., Jr. 11-1049).

² William P. Hudson, Second Secretary at the Embassy in La Paz.

velopment plan and indications that the Government would carry out such a plan, abandoning uneconomic projects. On the basis of these, the first three loans appear undesirable.

In continuation, the Embassy concurs in the views expressed by Mr. Johnson, the Commercial Attaché, who prepared a memorandum³ commenting on the Bolivian requests for you in Lima. (A copy of this memorandum is attached to the despatch.) Several contentions and implications of the Bolivians are refuted. Among other things, Mr. Johnson states, and the Embassy by implication concurs, that unemployment is not a serious problem in Bolivia and that miners unemployed through a contraction of the tin industry will quickly revert to subsistence agriculture without causing major social disturbances.

NWC does not accept this last statement in full. It is true that Bolivia has a shortage of labor and that the unemployed Indians can avoid starvation by turning to agriculture. However, recent experiences have demonstrated that the Bolivian miners are now well-organized into radical syndicates, led by fanatical demagogues who can easily fan the workers' latent resentments into bloody violence against management, American citizens and the Government. Any large-scale layoffs of mine workers can be expected to bring on a wave of violence, which, by the way, the Government would be unable to control in spite of its good intentions, resulting in possible injuries and fatalities among management personnel, conceivably extending to foreigners in general, and a successful revolutionary effort. (It is realized that the latter, at least, may happen anyway.)

An instruction to Embassy La Paz, enclosing a note to be presented to the Government of Bolivia in reply to the memorandum handed you on October 29, is now under preparation and will be submitted for your approval when appropriate clearances have been obtained.⁴

³ Not printed.

⁴ No reply was made to the Bolivian Government prior to the end of the year 1949.

824.00/11-2949 : Airgram

The Secretary of State to the Embassy in Bolivia

SECRET

WASHINGTON, December 22, 1949.

A-287. In view of the statement in Weeka 53, of December 9, 1949¹ that the Foreign Minister repeated his assurances that the perpetrators

¹ Not printed.

of the crimes at Catavi last May would be tried and punished and, specifically, that Gaspar would be rearrested, the Department feels it is unnecessary at this time to provide you with the text of a strong representation to be delivered formally to the Bolivian Government as was at first contemplated following receipt of your telegram no. 637, of November 29.² However, you should seize every occasion to indicate the continued interest of this Government in the judicial proceedings against the criminals responsible for the murders. In this connection, you may address formal communications to the Bolivian Government if you feel it is desirable to do so.

The third alternative suggested in your telegram no. 637, i.e. to inspire reports on the status of the proceedings in the Bolivian press, appears to have merit and might well marshal Bolivian public opinion in favor of prompt punishment of the criminals, resulting in pressure on the Government to take definite action. Provided the Embassy can inspire such reports without embarrassment, you are authorized to do so.

The failure of the Bolivian Government to date to punish those guilty of the crimes in question has been discussed with the Bolivian Ambassador here on several occasions. His personal reaction is one of discouragement at the apparent inability of his Government to carry out administrative and judicial proceedings in an efficient manner. He has stated he will urge that steps be taken to carry out the repeated promises of his Government to apprehend, try and punish the criminals.

ACHESON

² Not printed.

Editorial Note

Under date of December 24, 1949, the Chargé in Bolivia (Espy) transmitted his despatch No. 737 (not printed) on the question of consideration by the Bolivian Congress during its 1949 session of the agreement negotiated in June 1948 between the Bolivian Government and the Foreign Bondholders Protective Council for renewal of service on Bolivia's defaulted dollar bonded indebtedness, then in default since 1931. Documentation on the 1948 agreement is contained in the compilation on United States interest in economic develop-

ment in Bolivia in *Foreign Relations*, 1948, volume IX. Mr. Espy reported that the Bolivian Government did make every effort to induce the Bolivian Congress to ratify the debt service agreement and failed by a narrow margin due to indifference and the unwillingness of Congress to take its duties seriously. He recommended that the Department of State consider consulting with the Export-Import Bank and the International Bank for Reconstruction and Development to the end that the latter two financial institutions make clear to Bolivian officials the need for reestablishment of Bolivian credit, particularly in regard to the ratification of the 1948 dollar bonded debt settlement, before Bolivia could expect consideration of further credits from those institutions. (824.51 Bondholders/12-2449)

The Department of State responded to these recommendations in its instruction No. 5, January 19, 1950, to La Paz (not printed), the pertinent portion of which read as follows:

"Careful consideration has been given to the Embassy's recommendations. However, the Department does not propose to approach either the IBRD or the Export-Import Bank as suggested. The IBRD has made it clear to prospective borrowers that satisfactory settlement of outstanding obligations in default is a prerequisite to the granting of credits. The Department feels the Bolivian Government to be well aware of this fact. With respect to the Export-Import Bank, in the past the Department has followed a policy of not requesting the Bank to connect defaulted debts with new credit applications, the granting of which otherwise would be in the interest of the United States and which would further general United States policy. As a rule, if the Bank wishes to raise the question of defaulted debts in connection with the application, the Department will agree. In the case of the Bolivian application for credits with which to complete the Cochabamba-Santa Cruz highway project, however, the Department opposed efforts which were made to make such credits dependent on settlement of the debt issue, feeling that the loan was an extension of an earlier credit granted without consideration of the defaulted debt. In the future, if Bolivia does not make a satisfactory settlement to resume service on its defaulted dollar bonds, the Department might well agree to oppose further loan applications presented to the Export-Import Bank." (824.10/1-1950)

824.24/12-2849 : Telegram

The Chargé in Bolivia (Espy) to the Secretary of State

CONFIDENTIAL

LA PAZ, December 28, 1949—7 p. m.

662. Embassy today received check from Bolivian Government in

amount 5,000,000 BS (bolivianos) on account 10,500,000 BS.¹ This year's payments due January 1 and July 1 of \$150,000 US and \$100,000 US respectively converted at 42 BS to \$1.

I am addressing note ² to Foreign Office with copy to Finance Minister acknowledging receipt this payment and at same time making official demand for remaining bolivianos 5,500,000. I shall also include in note notice of two payments due next year specifying dollars of 100,000 January 1 and 100,000 July 1, with remainder \$15,644.21 due 1951. Latter connection presume Department wishes payment in dollars next year, view dilatory action Bolivian Government making current payments.³ Hope Department might also bring failure Bolivian Government meet full payments this year attention Bolivian Ambassador Washington, particularly view his note of last July.⁴

ESPY

¹The check represented a partial payment by Bolivia of the amount due the United States under a previously reached lend-lease settlement. The status of negotiations on this question had been summarized in a memorandum (not printed), dated November 18, from Mr. Sheldon King of the Office of North and West Coast Affairs to the Director of that Office, Mr. Sheldon Mills, which read in part as follows:

"During the existence of the lend-lease program, Bolivia took up only slightly more than \$5,000,000 worth of equipment as against an allocation of \$11,000,000. In 1947, an agreement was reached under which Bolivia promised to repay \$915,644.21 in local currency at the legal rate of exchange in six semi-annual installments ending July 1, 1950. Payments were made as scheduled through July 1, 1948, but Bolivia has defaulted on the payments due January 1 and July 1, 1949, which total \$250,000. The Embassy and the Department have discussed these payments on numerous occasions with various Bolivian officials and have received repeated assurances that the payments would be made. It appears that \$300,000 were available early in September with which to meet this obligation, but, in view of the emergency arising from a large-scale revolutionary attempt, the funds were turned over to an Air Force major who came to this country and purchased planes and military equipment. We have again requested immediate payment of the outstanding lend-lease obligation, also calling the attention of Bolivia to the fact that there is another unpaid balance of almost \$500,000 representing a 'cash reimbursable' account which must be settled." (824.24/11-1849)

²Not printed.

³The Department's instruction No. 17, March 17, 1950, to La Paz (not printed), stated that the installments due from the Bolivian Government on January 1 and July 1, 1950, were payable in U.S. dollars (724.56/3-450).

⁴The note, dated July 7, not printed, had indicated that the payments due on January 1 and July 1, 1949, would be made during the month of August 1949 (824.24/7-749).

BRAZIL

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND BRAZIL¹

711.32/11-2348

The Secretary of State to the Ambassador in Brazil (Johnson)

TOP SECRET

WASHINGTON, February 11, 1949.

No. 39

SIR: Reference is made to the Embassy's top secret despatch no. 1272, dated November 23, 1948, enclosing a copy of a secret memorandum² addressed by the Chief of Brazil's Joint General Staff and President of the Joint Brazil-United States Military Commission, General Obino, to the Chief of the United States Army Section of the Joint Commission³ under date of November 8, 1948. In summary recapitulation, the secret memorandum indicates that the President of Brazil⁴ believes that, in order to obtain the approval of the Brazilian Congress for expenditures to complete and maintain the air bases in North and Northeast Brazil,⁵ he should be in a position to present to the Congress a clear portrayal of Brazilian reciprocal defense obligations and benefits in agreement with this Government. He evidently believes that this portrayal should be in some or all of the following forms: (1) a publicly presentable form of as many as possible of the undertakings of this Government in the secret Political-Military Agreement of 1942;⁶ (2) indications, as concrete as possible, that this Government is assisting or will assist Brazil in developing its economic production; (3) indications, as concrete as possible, that this Government will provide training in the United States for a large number of Brazilian Army and Navy personnel; and (4) indications, as concrete as possible, that this Government will assist the Brazilian Government in obtaining ground, sea, and air matériel in sufficient quantities so that

¹ For previous documentation, see *Foreign Relations*, 1948, volume ix.

² Neither the despatch nor the memorandum is printed.

³ Maj. Gen. William H. H. Morris.

⁴ Eurico Gaspar Dutra.

⁵ For documentation on the agreement of June 14, 1944, granting the United States air base rights in Brazil, see *Foreign Relations*, 1944, vol. vii, pp. 543 ff.; the text of the agreement itself is printed *ibid.*, p. 561.

⁶ Not printed, see *ibid.*, 1942, vol. v, p. 662.

Brazilian personnel trained in the United States can pass on this instruction to the Brazilian armed forces.

The Department fully appreciates all of the considerations set forth in your despatch no. 1272 and is most desirous of cooperating with the President of Brazil and the Brazilian Government in every possible way.

With respect to consideration (1) mentioned in the preceding recapitulation, the Department does not consider that it can make a public assertion of defense undertakings with Brazil beyond those which are set forth in the Inter-American Treaty of Reciprocal Assistance⁷ and other inter-American undertakings. It is believed that President Dutra will appreciate that such a public declaration or agreement would be inconsistent with the multilateral arrangements among the American states. However, President Dutra might find it helpful to convey to the Brazilian Congress or Congressional leaders the assurances which were outlined in the Department's secret telegram no. 858 of December 30, 1948,⁸ that is, there should be no doubt whatsoever as to the desire of this country to encourage and stimulate the historic friendship and traditional cooperation in Brazilian-United States relations and the wish of this Government to do everything it can to this end. It is the earnest desire and intention of this Government to continue to do everything possible to maintain the close coordination of foreign policy with Brazil. There is no lack of appreciation and understanding as regards the quality of cooperation which was extended by Brazil during the recent conflict, and this Government certainly is fully alive to the sacrifices which were made by the Brazilian people. Furthermore, you may assure President Dutra that the Government of the United States is disposed to explore and discuss with the Brazilian Government at any time any measures which the Brazilian Government may wish to suggest towards the maintenance and the further development of the close political, economic, and military cooperation which has existed between the two countries for so many years.

With respect to (2) in the preceding recapitulation, this Government is at present extending economic assistance to Brazil in various forms, one of the more conspicuous of which is the cooperative study effort of the mixed Brazil-United States Technical Commission.⁹ While the report of the Commission may not be specific in recommending the development of particular projects, nonetheless it is hoped that it will in its final form be helpful to Brazil in the future

⁷ Text in Department of State Treaties and Other International Acts Series (TIAS) No. 1838, and 62 Stat. (pt. 2) 1681.

⁸ Not printed.

⁹ See *infra*.

as a guide towards further economic development. This report should constitute an important contribution towards the end mentioned by General Obino in his secret memorandum. The Embassy is fully informed with respect to other measures of economic assistance, in the form of credits, technical advice and grants, and these could be usefully recapitulated for President Dutra.

With respect to (3) in the preceding recapitulation, the National Military Establishment of this Government is prepared to continue or possibly increase its training program for members of the Brazilian armed forces. There must be, of course, certain limitations upon this program such as, for instance, the availability of facilities.

With respect to (4) in the preceding recapitulation, the Department wishes to point out that the present session of Congress will consider legislation pointing towards arms assistance to friendly powers. If such legislation is approved and if Latin American countries are included, Brazil can be assured of a favorable position among the American republics. Pending the passage of such legislation, the National Military Establishment of this Government is prepared to assist the Brazilian authorities in every possible way in finding commercial sources of supply for essential matériel, and the Department will of course facilitate export licenses for such matériel.

It is the understanding of the Secretary of State that the competent Army, Navy, and Air Force officials in Washington are communicating with their representatives at Rio de Janeiro with reference to the secret memorandum from General Obino. It is hoped that in due course each of these Departments will instruct its representatives to reassure the military personnel of Brazil of the desire of this Government to participate in a full and very frank exchange of views and comments as to how the military cooperation between the two countries can be maintained and improved. These conversations would, of course, be preliminary and exploratory. The Secretary also understands that, so far as the Department of the Air Force is concerned, its representatives are being instructed to point out to the Brazilians that it is the opinion of this Government that the secret air agreement is adequate to cover any problems which may arise as regards the air bases in the North and Northeastern sections of Brazil. It is further understood that, at least for the present, the Department of the Air Force does not anticipate being able to offer any actual financial assistance to the Brazilian Air Force for the repair and maintenance of these air bases, but the Department of the Air Force has already made available to the Brazilian Air Force for this work certain personnel for technical advice and assistance and a minimum outlay of air base and air base maintenance equipment. It is felt that, if the work

now being done by the Brazilian Air Force for the repair and maintenance of these bases is continued generally in accordance with the proposals submitted by U.S. Air Force personnel in Brazil, within a comparatively short time these air bases will be placed in a state of repair which would permit their utilization should an emergency arise.

It is suggested that you may wish to arrange an interview with President Dutra and at the time of this interview convey to the President the substance of this instruction and the assurances of the American Government that it is this Government's intention and desire to do everything possible which will encourage the fullest cooperation between our two countries.

Very truly yours,

For the Secretary of State:
DEAN RUSK

832.50 J.T.C./3-1749

The United States Co-Chairman of the Joint Brazil-United States Technical Commission (Abbink) to the Secretary of State

CONFIDENTIAL

WASHINGTON, March 17, 1949.

MY DEAR MR. SECRETARY: Instructions issued to me, as Chairman of the United States Section of the Joint Brazil-United States Technical Commission, dated August 24, 1947 [1948],¹ provided that I make a special report to the Secretary of State, commenting on the work of the Joint Commission.

The report of the Joint Brazil-United States Technical Commission, which was unanimously approved by Brazilian and United States members on February 7,² emphasizes four main themes: (1) the need for "balance" in the Brazilian economy and in economic development programs, (2) "self-help", (3) financial stabilization, and (4) the significance of the external balance of payments. There was a gratifying degree of understanding and mutual agreement between the two sides of the Commission on the economic aspects of these four ideas. Because the Commission's report was to be directed to both governments and because publication of the report was seen to be both inevitable and desirable, political considerations were largely ignored in its drafting.

In the following comments on the Commission's work, I shall emphasize some of the political aspects of the conclusions we reached.

¹ See the letter from Secretary of State Acheson to Mr. Abbink, dated August 24, 1948, printed in *Foreign Relations*, 1948, vol. ix, p. 364.

² A summary of the report was released on March 10, 1949, as Department of State press release No. 132, which is printed in *Documents and State Papers*, March-April, 1949, p. 695. The report was issued on March 24, 1949, as Department of State Publication 3487.

"Balanced" Development

The idea of balanced development has three aspects. In the first place, Brazil cannot afford to neglect *agricultural* development, even though industrial development has been emphasized in public discussion of Brazil's future.

The Brazilian members of the Commission, holding positions in a government which is strongly influenced by the views of the agricultural interests, but which is aware of the necessity of doing something for the smaller farmers and urban workers as well as for large-scale agriculture, were insistent on the importance of stimulating food production as a means of reducing inflationary pressures and avoiding future balance of payments difficulties. In fact, the letter of transmittal to the Minister of Finance,³ based on a draft by Dr. Bulhões,⁴ seemed to the United States members to overstress the short-run anti-inflationary effects of increased food production.

The basic political objective of the Brazilian Government in dealing with agriculture should be, of course, to prevent the emergence of acute unrest among the large underprivileged rural population. This is an issue which may seem unimportant for the near future, but it represents a latent threat to Brazil's internal stability and to stability of Brazil's international relationships over the two or three decades ahead. The immediate danger is that the Brazilian government will not face the problem fully and that it will content itself with half solutions or even with promises of solutions. The proposal to set up a rural bank, for example, seems to promise more than it is really likely to accomplish in the near future. I may note also that any discussion of rural ownership problems was tabooed by the Brazilian members.

The United States members of the Commission are impressed with the importance to the United States, in its future dealings with Brazil, of keeping in mind the need for far-reaching improvements in the economic and social status of the ordinary small landholder, tenant or agricultural worker.

Secondly, it is obvious that bottlenecks to industrial progress cannot be allowed to develop in the fields of *transportation*, *power*, and *fuel*. However, maintenance of a proper balance will be difficult.

The regulation of public utilities became heavily tinged with an anti-foreign bias under the Vargas⁵ regime. Moreover, any government faces public resistance when it tries to keep utility rates in step

³ Pedro Luis Corrêa e Castro.

⁴ Octavio Gouvêa de Bulhões, Brazilian Co-Chairman of the Joint United States-Brazil Technical Commission.

⁵ Getulio Vargas, President of Brazil, 1930-1945.

with rising costs, as our own experience with New York City subways and the Long Island Railroad may remind us.

The obstacles to rapid development of Brazil's petroleum resources⁶ are very largely political and therefore emotional, arising from nationalistic sentiments. The Commission found it impossible to discuss the fuel problem during the first two months of its work because of the atmosphere which had been created by a vociferous public campaign on this issue. This campaign, in which Nationalists were abetted by or abetted the Communists, had started when the President sent Congress a bill for petroleum legislation, before our arrival, but later it was turned against the "Viceroy" and "his little abbinks." To quiet this agitation, President Dutra took preliminary steps to implement the government refinery program which had been proposed earlier. General discussions of petroleum in the Commission did not get far until January. Finally, however, a Brazilian subcommittee, headed by the President of the National Petroleum Council,⁷ brought in a report which we found very encouraging. While not as clear and forceful as might have been wished, this memorandum by a responsible official (and General in the Brazilian Army) arrived at the definite conclusion that rapid petroleum development requires the cooperation of private foreign capital.

Whether President Dutra will push for the legislation which is needed to bring in petroleum capital, or whether the Brazilian government will concentrate on the half-solution of erecting and operating refineries in Brazil, remains to be seen. The approach of the next national election date, May, 1950, discourages too great optimism on this matter, but I believe there are chances of bringing about a satisfactory settlement of the problem if some "face saving" measures can be put forward. If the solution of the petroleum question in Brazil is of real importance to the United States, I would urge that it be attempted during President Dutra's term, as a new president might not be in as favorable a position.

Thirdly, balanced development obviously requires that programs in one field take account of programs in other fields and that proper provision be made for *complementary facilities*—for example: local feeder roads for crop-carrying railroads; railroads to bring raw materials to a steel plant. Brazil, like other countries, has the difficult problem of obtaining proper economic planning without over-extending the government's responsibilities or overcentralizing governmental administration and policy-making. Brazil has many able and conscientious

⁶ Documentation on United States interest in Brazilian petroleum legislation is contained in *Foreign Relations*, 1948, volume ix.

⁷ Gen. João Carlos Barreto.

public officials, but the number of qualified technicians needs to be increased in many fields.

"Self-help"

The United States Delegation considered that one of the principal reasons for its presence in Brazil was to make it clear to Brazilian officials with whom it came in contact that Brazil could not expect huge amounts of assistance from the United States, and that the way to get assistance is to do what can be done with the country's own resources. There was no need to argue this proposition. The Brazilian members of the Commission accepted it fully from the start.

Nevertheless, "self-help" will remain a central issue both for Brazil and the United States. On the Brazilian side, inevitably there will be attempts to gain political credit and avoid or postpone internal problems by swinging deals for foreign assistance. It will be hard to impose the proper taxes on all those who are able to pay. It will be impossible to crack down on the real estate boom sufficiently to kill it once for all. It will be difficult to adopt and carry out really bold policies for agriculture.

On the United States side, it will always be difficult to judge, at any given moment and in connection with any given project, whether the Brazilians are really doing all they can be expected to do.

Financial Stabilization

The third leading idea of the report grew very definitely out of our studies and discussions while in Brazil. We were forcibly struck by the distorting effects of the wartime and postwar inflation, both with regard to the diversion of resources into apartment houses and office buildings, and with regard to its adverse effects on the financial stability of public utility enterprises. We observed a vicious circle in which short-cut methods of government finance had contributed to inflation, while inflation had helped to destroy the market for government securities. We were convinced also that the habit of inflation in Brazil is intimately tied up with a failure to work out consistent and effective economic policies generally. We were encouraged, however, by the fact that the budget had been balanced in 1947 and most of 1948, and by indications that President Dutra's administration is determined to maintain financial equilibrium in 1949.

One cannot be over-optimistic that Brazil will altogether avoid inflation in the next few years. There is no group whose economic interests have been set back decisively by inflation in the past. There are too many influential groups which have a definite interest in continually rising prices—among them investors in real estate, the market for which was somewhat unsettled in 1948, although market values remained at a high level. Unfortunately, depreciation of the

cruzeiro is always available as a "remedy" for a decline in prices, whether or not it is really needed to maintain the flow of agricultural and manufactured products into exports.

The Balance of Payments

One aspect of the issue of self-help is the question of how Brazil is to pay its own way in international exchanges of goods and services. The report stresses the significance of the balance of payments, both as a guide in formulating development policies, and as a criterion for the timing of development programs.

The need for import controls is obvious, particularly during the next year or two until Brazil has cleaned its slate of short-term trade debts. The present Brazilian government is reluctant to envisage import controls as a more or less permanent thing, preferring to be optimistic both about export possibilities and an inflow of foreign capital. The industrial interests, on the other hand, are quite happy with import controls. An early draft of the report contained the observation that the Export-Import Department of the Bank of Brazil sometimes uses import controls for protective purposes. Such direct criticism was considered inadvisable, and these remarks were deleted.

In general, one finds in Brazil a perhaps natural reluctance to face the balance of payments problem. Brazilian industry, by and large, is not interested in acquiring export business the hard way by improving quality and reducing unit profits. The government (at least outside of the Exchange Department of the Bank of Brazil) is reluctant to curtail imports any more than seems absolutely necessary. Meanwhile, it hesitates to take the political risks that would be involved in bringing in foreign private capital to develop petroleum—the only sound way of rapidly freeing Brazil from a substantial part of its present essential import requirements.

Recommendations Made by the Joint Commission

The report contains many recommendations and suggestions, explicit and implicit, both to the Brazilian government and to the United States government. Some of these suggestions touch on actions which can be taken by the United States. Some are matters on which the United States ought to insist in its future dealings with Brazil.

The Flow of Private Capital

The report stresses the necessity and desirability of stimulating a flow of private capital into Brazil (although a careful reading of the report will also show the need for loans from the World Bank and the Export-Import Bank).

We found general agreement among the American business community in Brazil, as in New York, that foreign exchange uncertainty

is an important factor restraining direct investments by persons not already familiar with Brazil. We had no difficulty in persuading our Brazilian colleagues that we should stress two things which the Brazilian government ought to do in this connection: (1) to end, as soon as possible, delays in remittances both for imports and for other purposes such as transmission of profits, and (2) to codify and clarify the exchange regulations. We had to agree, however, that the short-run dollar balance of payments position in Brazil will not allow a rapid elimination of the back-log of short-term debts unless short-term credits can be obtained by Brazil, either from private sources, from the International Monetary Fund, or from other sources. It may be within the power of the United States government to assist Brazil in this respect.

Two suggestions bearing on the stimulation of a flow of private capital are directed particularly to the United States government: (1) guaranties for transfers of profits and capital, and (2) tax concessions to American investors abroad. Both suggestions will require joint implementation, of course. The United States should not guarantee payment of dollars to investors withdrawing cruzeiro funds from Brazil before obtaining reasonable assurances of dollar reimbursement from the Bank of Brazil. Moreover, guaranties to private capital should also be obtained from the Brazilian government, through a treaty on investments. Any possible tax concessions to Americans investing in Brazil—a measure whose value is over-stressed in Brazil—should be coupled with the negotiation of a treaty to eliminate all double taxation.

These two suggestions, more than any others made in the report, call for basic policy decisions by the United States government. The issues involved are, of course, much broader than simply between the United States and Brazil. The American members of the Joint Commission, having had the opportunity to look at the problem of private capital movements through the eyes of their Brazilian colleagues, are fully persuaded that our present policy of reiterating our faith in the willingness of private capital to move into countries like Brazil, while taking no active steps to foster a larger movement, is not adding to United States prestige abroad. Either such steps as we have suggested should be taken, or the emphasis in United States foreign economic policy should shift to governmental loans. The first alternative is in the interests both of the United States and of the underdeveloped countries.

Finally, in relation to the flow of private capital, the report contains suggestions that the Brazilian government should take the legislative and administrative actions necessary to bring foreign mining and petroleum development capital into the country. The interest of the

United States government in these developments may be such that it is warranted in making a determination of the practical steps it can take at this time to hasten these actions.

Technical Collaboration

President Truman's Point Four Program,⁸ announced at a time when the Commission's work was nearing completion, calls for the provision of technical assistance to underdeveloped countries. Many useful opportunities for such aid are noted in the Joint Commission's report, though the Commission made no attempt to analyze this problem systematically or to propose priorities.

As in many other countries, the greatest needs for assistance in Brazil—at least of types which the United States government might undertake to provide—are undoubtedly in the fields of agricultural productivity, farm credit organization, and improvement of health conditions. Brazilians are good at drawing up blueprints for programs. They have often succeeded magnificently in providing physical facilities for such programs as agricultural research and industrial training. The more difficult tasks are to organize field operations and develop adequate personnel, well trained and devoted to their jobs, and it is in these directions that any help which the United States might provide would be most useful.

The report also contains various suggestions for study and review of administrative organization and operations, both in general government and specifically in the administration of social insurance. Assistance for such studies might appropriately be provided by the United Nations.

Terms of Technical Assistance

The report has nothing to say on the terms and conditions under which technical assistance might be provided. The United States members of the Commission consider it most advisable—indeed essential—that assistance should be given *only* on the basis of matching funds (not necessarily equal matching) or on a repayment basis (in cases where projects can be made to have self-liquidating features). Only in these ways will the Brazilian government and people feel that the assistance they are obtaining is really worthwhile. Without this feeling on their part, the political disadvantages to the United States may easily outweigh all other advantages calculated to accrue from our assistance programs. Moreover, there must be a Brazilian financial stake in order to assure Brazilian review of the relative needs in different fields, and in order to assure continuity in programs and projects.

⁸ Documentation on this subject is contained in volume I.

Financial Stabilization and Self-Help

The Commission's suggestions to the Brazilian government with regard to financial stabilization and self-help are systematically outlined in the summary of the report which was released by the Department of State on March 9 [10].⁹ I shall add here only certain observations as to the attitudes which the United States government might take toward these suggestions.

We cannot expect rapid progress in the development of capital markets in Brazil, but emphasis on this goal is desirable as a means of persuading the Brazilians to adopt a sound and broad approach to problems of economic development.

While delays may also be expected in the implementation of the Commission's tax recommendations, Brazilian representatives should be reminded from time to time that equitable and efficient taxation is an essential element in a program of economic development designed to benefit the whole people, and an easy test of the degree of "self-help" that is being achieved.

Improvement in the regulation of public utility rates involves new legislation in conformity with the 1946 Constitution of Brazil, as well as administrative reorganization and a necessarily gradual improvement in the technical personnel of the regulatory agencies.

The creation of an efficient Central Bank and other useful government-controlled financing institutions will take time. In fact, the report takes the position that careful preparation is more important than immediate establishment of any such institutions, with the possible exception of the Central Bank. We had to modify this general position slightly in the case of the proposed "Rural Bank", since there is strong pressure on the Brazilian government to go ahead with the formation of such an institution immediately after the creation of a Central Bank, if the Brazilian Congress can be persuaded to take the latter step. In the case of the Rural Bank, the United States attitude should be to urge adequate capitalization (so as to avoid inflationary financing) and early attention to the needs of small farmers for supervised credit.

Priorities

The report does not go as far as might be wished in arriving at firm recommendations as to priorities, either of different types of investment or of different types of programs which might involve external technical assistance. In truth, the magnitude of Brazil's requirements is so great, in relation to available resources, that clear-cut priority recommendations are impossible. Some guidance is provided, however,

⁹ See footnote 2, p. 552.

by the principle of balanced development as applied to agriculture, public utilities, fuel production, and complementary facilities in general. Educational and health needs are also of strategic importance.

Brazilian Reactions to the Joint Commission's Work

During the early part of our stay in Rio de Janeiro, Brazilian attitudes towards the Commission seemed to be compounded of three feelings. There was an element of suspicion of the purpose of the United States in sending this mission to Brazil—a feeling on which the extreme Nationalists and Communists played, with their petroleum campaign. There was also evident a desire among some groups, inside or outside the government, to exploit our presence in Brazil by pressing Brazil's claims for large scale financial assistance from the United States. Some people seemed to have the misconception that the United States would soon be forced by the world situation to adopt a "Marshall Plan" for South America. Finally, there was a good deal of pure ignorance and puzzlement about the nature and purposes of the Joint Commission.

If, at first, these attitudes influenced any of the Brazilian members of the Central Commission or Subcommissions with whom we came in regular contact, they were soon dispelled.

Information about the Commission's work gradually trickled out to the newspapers. Toward the end of our stay in Brazil there were many evidences of a widespread appreciation of the real effort which the Commission had been making to get a full understanding of Brazilian problems and to recognize useful ideas, whatever the source. Expectations of a "Marshall Plan" are no longer entertained in Brazil, but Brazilians are conscious that their opportunities to obtain loans from the United States have not been completely shut off. They are curious to know what criteria will be established for our lending policies. At the same time, the widespread interest in the SALTE Plan¹⁰ gives some evidence of a belief that Brazil should be doing more for itself.

The Brazilian government has undoubtedly been taking the report seriously. The fact that, up to the time we left, President Dutra had not yet sent an expected message on the SALTE Plan to the Brazilian Congress suggests that he wished to keep his message in harmony with the report. It is also known that the Finance Minister has been giving the Portuguese text of the report an extremely careful reading, preparatory to approving its publication.

Implementation

Implementation of the Joint Commission's report presents many difficult problems. Now that President Truman has enunciated the

¹⁰ A comprehensive plan of the Brazilian Government for development in the fields of health, food supply, transportation, and electric energy.

"Point Four" policy, the development of a joint program for Brazil falls within the framework of the broader program.

Three aspects of the Point Four policy seem to be well established. First, it envisages a long-range program. Secondly, it relies heavily on the flow of private capital to underdeveloped countries. Thirdly, programs of technical collaboration are to be greatly expanded and extended. It seems to the United States members of the Joint Commission that the Point Four policy, to operate successfully, will have to embrace two other essential elements.

In the first place, it seems to us that financial assistance from the Export-Import Bank ought to be viewed as an integral part of the program, to help provide the tools which technicians will need in assistance projects in fields where private funds may not be immediately forthcoming. It would be unrealistic to suppose that the aims of the program can be achieved without the United States government itself making loans for specific key projects for which private capital is unavailable. The power to loan is also a vital bargaining weapon for the United States in dealing with underdeveloped countries. Negotiations regarding self-help and technical collaboration or the treatment of private foreign capital should not be divorced from negotiations regarding loans. Moreover, to strengthen our bargaining position, the lending policies of the Export-Import Bank ought to be thoroughly intelligible to the underdeveloped countries. The use of Export-Import Bank loans for political purposes, unrelated to consistent development programs for which a local government is being urged to give its full support, ought to be minimized.

Another vital element of a workable Point Four policy will be a new technique—strategically sound and tactically useful—of consultation between the United States and each country that is to be aided, aimed at reaching agreement on specific programs. The tactics will have to be flexible, adapted to the peculiarities of each country. Because of the newness and long-range character of the Point Four policy, the technique of consultation will probably have to be developed gradually on a country-by-country basis. Those who are given the responsibility of formulating proposals to be made to any given country ought to have as intimate as possible an understanding of the economic problems of that country, both long-run and immediate, as well as a general grasp of its political situation.

Steps in Developing a Brazilian Program

Initial negotiations to develop a program of collaboration along lines consistent with the report of the Joint Commission might cover the following points. First, what can the United States do to assist Brazil to solve its short-run balance of payments problem? The United States negotiators should be forearmed with a good under-

standing of the International Monetary Fund's policy towards Brazil, and they should have at hand a careful survey of the possible availability of short-term credits from other sources. Second, what steps ought now to be taken toward the negotiation of treaties of commerce and investment, and for the elimination of double taxation? In discussing these matters, the United States negotiators should have a clear idea of what legislation may be forthcoming on exchange guaranties and tax concessions to American investors abroad. Third, a start should be made in formulating plans for technical collaboration. Fourth, further information should be requested from the Brazilians on their policies and plans for financial stabilization, on the status of measures to implement the SALTE Plan, and on plans for the internal financing of various government projects within or outside the scope of the SALTE Plan. Fifth, the Brazilians may be expected to open the question of financial assistance from the Export-Import Bank, and the United States negotiators should then be prepared to emphasize the importance of careful planning of any specific projects within a consistent framework of economic development policies, the importance of adequate financing of internal expenditures both for individual projects and for the development program in general, and the desirability of working out such projects for technical collaboration as might contribute to the success of individual projects or of the broader Brazilian program.

Later steps in working out a rational program of United States assistance for Brazilian economic development can hardly be predicted at this moment. We cannot expect that all of our suggestions will rapidly be put into effect in Brazil. There will be a continual need to prod the Brazilians into action, and also a need to review constantly the progress made.

The Brazilians, for their part, may well feel that their problem is to prod the United States into action, particularly in the direction of making loans. The Brazilian members of the Joint Commission have already advanced the suggestion, included in the letter of transmittal to the Finance Minister, of setting up "a mechanism to foster the achievement of the measures proposed in the report". Possibly this proposal will be renewed in more definite form.

Some advantages can be seen in having a continuing joint organization (with a composition similar to that of the Joint Technical Commission) to assume responsibility for the Commission's report. There are, however, many obvious difficulties in the idea. It would be undesirable for American participation in such an organization to be only on a technical level. It would be equally unfortunate if the American members were put in the position of being able to exercise far-reaching

influence on actions of the Brazilian government. Difficulties would arise if a permanent joint body were expected to give close consideration to specific projects which might become the subject of loans from the United States. It would not be easy to coordinate the operations of a continuing joint body with the operations of the Department of State and our Embassy.

If it is found desirable to set up some kind of joint committee, perhaps a better solution would be to limit its life to the duration of particular studies or negotiations, whether in Washington or in Brazil. Such a committee (or committees) might include departmental representatives on both sides and possibly also public members. Continuity in the development policy might be the responsibility of special secretariats in the two countries. These secretariats could be charged with the detailed negotiations necessary to carry out agreements reached in the joint committee sessions. On the United States side, the secretariat might be located in the Department of State or in some new agency.

To what extent might the difficulties suggested above be avoided by transferring leadership to United Nations agencies? In some parts of the program United States aid may possibly best be given through the United Nations. In the early stages of the program, however, it will be difficult to develop sound procedures without direct United States participation in planning and in negotiations with the country concerned. It must be remembered that the United Nations agencies lack the bargaining power of control over loanable funds, since they have no direct influence on lending policies of the World Bank or of the International Monetary Fund.

The co-ordination of United States programs with actions of the international financial agencies is a problem which will require some attention.

Joint Commissions for Other Countries?

In developing country programs to carry out the Point Four policy the United States government would probably find it helpful to have reports by joint study commissions available as a basis for subsequent discussions. It must be recognized, however, that the preparation of a useful report takes time. Moreover, the United States government will not find it easy to staff any considerable number of study commissions simultaneously.

If the report of the joint study commission (or the report of the United States representatives on the commission) is to be really useful, it must not be narrowly conceived. In particular, it must not be limited to the consideration of a country's needs in various specific fields. It

must attempt to establish general perspectives and to evaluate the basic economic problems of the country under study. It must give some indication of the manner in which the economy of that country actually functions.

The experience of the Joint Brazil-United States Technical Commission points to certain problems of preparation and planning which must be solved in order that any such commissions may operate more effectively in the future.

The difficulty of carrying out a sufficiently comprehensive study in Brazil was not clearly foreseen. The initial organization of the Commission's work, at the suggestion of the Brazilians, into a large number of subcommissions was perhaps not the best way to achieve rapid progress. It did, however, enable the Commission to get the benefit of a considerable amount of discussion of important problems by representative Brazilians, inside and outside the government.

The work of a joint commission might be facilitated if exploratory discussions could be conducted in advance, particularly by the economists on both sides. In these discussions, the current situation of the country could be quickly reviewed and problems spotted, consideration given to the availability of economic and financial information of various types, and the organization of the joint commission could be planned.

The language difficulty was particularly acute in Brazil, perhaps more so than it would be in Spanish speaking countries.

Proper local publicity for the aims and activities of a joint commission is a difficult thing to achieve, particularly since the results of studies cannot be foreseen while they are still going on. It would be desirable to make special efforts to keep the United States delegates adequately posted on current events in the local country. These functions of publicity and information might be performed for the Mission through the Embassy, or staff members might be added to the Mission specially for these tasks.

Finally, it will always be of the highest importance to select as American representatives men who will form an effective team, bringing to the work of the Commission outstanding abilities in international affairs, in business matters, in economics, and in various technical fields.

Respectfully submitted,

JOHN ABBINK

832.51/5-149 : Telegram

The Ambassador in Brazil (Johnson) to the Secretary of State

SECRET

RIO DE JANEIRO, May 1, 1949—noon.

321. RefDeptels 228, April 18, 7 p. m., 858 December 30, 6 p. m. and mytels 296, April 22, 7 p. m. and 320, April 30.¹

During the past month particularly, as the time for President Dutra's official visit to the United States approaches,² an increasing number of prominent Brazilians including responsible members of both Houses of Congress have mentioned to me high degree of importance attached by public opinion in Brazil to President Dutra's visit. They have all emphasized importance from Brazilian point of view and particularly from that of President Dutra, of the visit resulting in some concrete agreement which can be fairly attributed by the public to the President's visit to US. Judging from correspondence between Department and Embassy, it is apparent that main Brazilian desires as well as general trend of Brazilian discontent are fully known in Washington.

I have discussed with Foreign Minister Raul Fernandes the points and considerations brought to a head in Deptel 858, December 30, 6 p. m., this telegram being culminating paper of an exchange between Embassy and Department covering last few months of 1948.

Dr. Fernandes informed me a few days ago that during President Dutra's visit neither President nor members of his official entourage would take any initiative regarding financial or other agreements with US; that, as far as Brazilians are concerned, they will act in a manner consonant with being formal visitors and guests of state in the US. However, Foreign Minister added that if US did not take some measures along these lines results would be bad on public opinion in Brazil. Dr. Fernandes, although he understands perfectly well fundamentals of situation, nevertheless often expresses himself with greater vehemency and finality than would seem justified. His apparent bitterness, however, is to a certain degree real and undoubtedly reflects a genuine

¹ None printed. The substance of telegram 858 was summarized in instruction 39, February 11, 1949, to Rio de Janeiro, p. 549; the other messages dealt with the question of possible United States financial aid to Brazil for use on Brazil's backlog of commercial dollar debts, for further information on which see the memorandum by Mr. O'Toole to Mr. Clark, December 8, 1949, p. 585.

² See the memorandum by Acting Secretary of State Webb to President Truman, May 18, 1949, p. 572.

feeling in responsible circles here. This feeling is shared by some of best Brazilian friends of US, who are also men of force and influence in this country. If President Dutra returns empty handed, with nothing but oral reiteration of our ancient friendship, he will be the object of bitter political criticism. Embassy is aware of efforts now being made by Department to lay foundation for some useful agreement. In this connection reference is made to a memorandum of April 8 addressed to Assistant Secretary Thorp by Mr. Knapp of Office of Financial Development.³ This memorandum points out most pressing problem facing Brazil at moment. I strongly recommend that every effort be made to reach an effective decision as to what can and will be done in the US in the near future on this question.

It is difficult to express without apparent exaggeration, feeling I have, which is shared not only by responsible officers of Embassy but by responsible and representative members of American community, that amity which has characteristically prevailed in American-Brazilian relationship is in some degree of jeopardy at present time. Relations with US are sharply focused in public eye by force of post-war events and Brazil's present economic crisis. This focus of attention is now receiving additional emphasis through President Dutra's visit to US. The visit will be conducted in a blaze of publicity in Brazil and results will be closely scrutinized. However impracticable realization of extreme Brazilian desires may be, it nevertheless would seem to me to be wise policy for Department to make every practicable effort to meet Brazilian hopes and aspirations based on this visit. If President Dutra returns to Brazil without any understanding or agreement, or action from US other than warm and friendly words, disillusionment will be great and American interests, both political and otherwise, will be damaged. Situation is not one which can be solved entirely on a rationalized basis. It is useless to refuse everything Brazilians want and rationalize our refusal to them; a more important factor from political point view is what Brazilians think we ought to do.

JOHNSON

³ Not printed; the substance of this memorandum was summarized in the memorandum by Mr. O'Toole to Mr. Clark, December 8, p. 585.

711.32/5-449

The Ambassador in Brazil (Johnson) to the Secretary of State

TOP SECRET
No. 388

RIO DE JANEIRO, May 4, 1949.

SIR: I have the honor to refer to the Embassy's Top Secret despatch No. 1272 of November 23, 1948,¹ with which was transmitted to the

¹ Not printed.

Department a letter from General Salvador Cesar Obino, President of the Joint Brazil-United States Military Commission to Major General William H. H. Morris, Jr., Chief of the United States Delegation on that Commission in which, after referring to air bases in Northeastern Brazil, the Brazilian Government proposed, among other things, an accord between Brazil and the United States.² Reference is also made to the Department's Top Secret instruction No. 39 of February 11, 1949, in which I was authorized to express certain observations on this question to President Dutra, and to my Top Secret telegram No. 329 of May 3, in which an account of my interview with the President was set forth.³

As stated in my telegram under reference, General Morris on April 25 presented a letter dated April 23 to General Obino which incorporated the views received by the American Delegation of the Joint Brazil-United States Military Commission from the Joint Chiefs of Staff in Washington. Before this letter was presented to General Obino, its text was cleared with me by General Morris. A copy of the letter as delivered is enclosed herewith for the records of the Department.

Following a detailed study of the Department's instruction under reference, and subsequent to the delivery of General Morris' letter to General Obino, I saw President Dutra on the morning of May 3. As stated in my telegram referred to above, at that time I orally conveyed to the President those portions of the Department's instruction of February 11 which it seemed to me suitable to make use of at that time. I left with the President an *Aide-Mémoire* covering these remarks, a copy of which is transmitted herewith as enclosure No. 2 to this despatch.

Respectfully yours,

HERSCHEL V. JOHNSON

Enclosure 1

U.S. DELEGATION JOINT BRAZIL-UNITED STATES MILITARY COMMISSION
RIO DE JANEIRO, BRAZIL

23 APRIL 1949.

Subject: Air Bases in Northeastern Brazil

To: His Excellency, The Chief of the Joint General Staff and The President of the Joint Brazil-United States Military Commission.

1. In your Excellency's letter of 8 November 1948 there was proposed the establishment of an accord between Brazil and the United

² Further information on the Brazilian document is provided in instruction 39, February 11, 1949, to Rio de Janeiro, p. 549.

³ See footnote 5, p. 571.

States, in which accord would be listed the reciprocal obligations to be assumed by the contracting Governments and the conditions established whereby the construction and utilization of the bases and of the inherent technical services could be realized.

2. This proposal has been studied by the United States Joint Chiefs of Staff. We are advised to bring your Excellency's attention to the following conclusions:

a. A program of legislation is in preparation which considers United States military aid and assistance to many nations throughout the world, including the American States. This has direct bearing on the obligations assumed under the Inter-American Treaty of Reciprocal Assistance.

b. The Inter-American Defense Board constitutes an agency suitable for the purpose of advising the Organization of American States in the matter of collective defense.

c. The Joint Brazil-United States Military Commission and the Joint Brazil-United States Defense Commission should be considered supplemental to the larger Inter-American Defense Board in the determination of United States-Brazil mutual defense requirements and responsibilities.

d. When the United States military members of the Inter-American Defense Board, the Joint Brazil-United States Military Commission, and the Joint Brazil-United States Defense Commission are placed under the Joint Chiefs of Staff, those United States delegations will then receive the necessary broad policy guidance for an eventual Western Hemisphere defense scheme.

e. When a Western Hemisphere defense scheme is approved for planning purposes, the Joint Chiefs of Staff can then recommend regarding the assumption of additional United States military obligations with respect to the various South American countries, including Brazil.

3. The Joint Chiefs of Staff further advise us that it would not be inappropriate for the Members of the Joint Brazil-United States Military Commission to study the matter of the collective defense of Brazil. This study should supplement a Western Hemisphere defense study by the Inter-American Defense Board. The ultimate specific international obligations to be assumed by the signatory nations of the Inter-American Treaty of Reciprocal Assistance will depend very largely upon the requirements developed in this defense scheme.

4. Your Excellency's attention is invited to the study submitted to your Excellency by the U.S. Delegation on 4 May 1948.⁴ Although the title of the letter is "Coast and Air Defense of Brazil," the scope of the study far exceeds that indicated by the title. It is felt that this study would be of great value in preparing a more complete study embodying the subjects mentioned in your Excellency's letter of proposal.

⁴ Not printed.

5. If your Excellency is in accord with the suggestions stated in paragraphs 3 and 4 above, the U.S. Delegation is eager to participate in whatever manner your Excellency desires.

6. Again may I reaffirm our protestations of esteem and zeal in the continuance of high cooperation between our countries.

WILLIAM H. H. MORRIS, JR.
Major General, U.S.A.
Senior U.S. Member
U.S. Delegation, JBUSMC

Enclosure 2

AIDE-MÉMOIRE

Under date of November 8, 1948, General Salvador Cesar Obino, President of the Joint Brazil-United States Military Commission, addressed a letter to Major General William H. H. Morris, Jr., Chief of the United States Delegation on that Commission, with certain references to air bases in Northeastern Brazil. The Ambassador of the United States ventures to offer His Excellency, President Dutra, certain observations which have been communicated by his Government on the letter of November 8 just referred to. First of all, Mr. Johnson would like to say that the United States Government is most desirous of cooperating with His Excellency, President Dutra, and with the Government of Brazil in every possible way.

Mr. Johnson has had several occasions in recent months to convey to high officials of the Government of Brazil the firm assurance that there should be no doubt whatsoever as to the desire of the United States Government to encourage and to stimulate the historic friendship and traditional cooperation in Brazilian-United States relations, and that it is the wish of the United States Government to do everything it can to this end. Mr. Johnson is authorized by his Government to reiterate these assurances of which he, in fact, is confident the Brazilian Government already has no doubt.

It is the earnest desire and intention of the United States Government to continue to do everything possible to maintain close coordination of foreign policies with Brazil. There is no lack of appreciation and understanding with respect to the quality of cooperation which was extended by Brazil during the recent war, and the United States Government certainly is fully alive to the sacrifices which were made by the people of Brazil. The United States Government has authorized the Ambassador to assure His Excellency, President Dutra, that it is disposed to explore and discuss with the Brazilian Government at any time measures which the Brazilian Government may wish to suggest

toward the maintenance and further development of the close political, economic and military cooperation which has existed between the two countries for so many years.

In regard to the specific suggestion that an accord listing the reciprocal obligations assumed between Brazil and the United States be established, Mr. Johnson regrets to state, however, that his Government does not consider it can make a public assertion of defense undertakings with Brazil, beyond those which are set forth in the Inter-American Treaty of Reciprocal Assistance and other inter-American undertakings. The United States Government is confident that His Excellency, President Dutra, will appreciate that such an agreement publicly declared would be inconsistent with the multi-lateral arrangements now existing amongst the American states.

With respect to the desire expressed by General Obino on behalf of the Government of Brazil that the United States should provide training in the United States for a large number of Brazilian Army and Navy personnel, Mr. Johnson has been authorized by his Government to inform His Excellency, President Dutra, that the United States National Military Establishment is prepared to continue or possibly to increase its training program to members of the Brazilian armed forces. There must of necessity be certain limitations upon this program such, for instance, as availability of facilities.

With respect to the desire of the Brazilian Government, expressed in General Obino's letter, for assistance from the United States in obtaining ground, sea, and air matériel in sufficient quantities so that Brazilian personnel training in the United States can pass on this instruction to the Brazilian armed forces, Mr. Johnson ventures to point out that the present session of the United States Congress will consider legislation pointing towards arms assistance to friendly powers. If such legislation is approved, and if the other American Republics are included, Brazil can be assured of a favorable position among these Republics. Pending the passage of such legislation, the National Military Establishment of the United States Government is prepared to assist Brazilian authorities in every possible way in finding commercial sources of supply for essential matériel, and export licenses for such matériel will be facilitated.

As His Excellency, President Dutra, is aware, the Senior United States member of the United States Delegation to the Joint Brazil-United States Military Commission has already brought to the attention of the Chief of the Joint General Staff of Brazil the views of the Joint Chiefs of Staff of the United States, on military cooperation between the two countries. In this communication the feeling of the

Joint Chiefs of Staff was pointed out that it would not be inappropriate for the members of the Joint Brazil-United States Military Commission to study the matter of the collective defense of Brazil.

In conclusion, the Ambassador would like to convey to His Excellency, President Dutra, the assurances of the Government of the United States that it is its intention and desire to do everything possible which will encourage the fullest cooperation between the two countries.⁵

RIO DE JANEIRO, May 3, 1949.

⁵ In telegram 329, May 3, from Rio de Janeiro, Ambassador Johnson reported President Dutra's reaction to the Ambassador's remarks, which were embodied in the above *aide-mémoire*. The pertinent portion of telegram 329 read as follows:

"President Dutra expressed his appreciation for assurances given by US Government and for way in which General Obino correspondence had been handled. He expressed himself as understanding fact that US action was in part contingent on legislative authorization. He also indicated an understanding of our position that it would not be practicable to make public an assertion of defense undertakings with Brazil beyond those which are set forth in the inter-American treaty of reciprocal assistance and other interim undertakings. He mentioned with appreciation training of Brazilian defense forces which is now being carried on by US military establishments." (711.32/5-349)

832.001 Dutra, Gaspar/5-2049

*Memorandum of Conversation, Held on May 17, 1949, by the Chief
of the Division of Brazilian Affairs (Clark)*

CONFIDENTIAL

[WASHINGTON,] May 20, 1949.

Participants: Mr. Dean Acheson, Secretary of State
Mr. Raul Fernandes, Brazilian Minister for Foreign
Affairs
American Ambassador Herschel Johnson
Mr. Afranio de Mello-Franco, Minister-Counselor,
Brazilian Embassy
Mr. DuWayne Clark, BR

At the request of the Brazilian Embassy, an appointment was made with the Secretary of State for May 17, 2:30 p. m., for Foreign Minister Raul Fernandes to call and pay his respects. Minister Fernandes is in this country as a member of the official delegation for the visit of President Dutra.

After the usual exchange of pleasantries, there was discussed with Minister Fernandes the text of a proposed press release covering the conversations which might take place between President Dutra and President Truman on economic subjects. A copy of the draft text was shown to Minister Fernandes and he gave his approval with the exception of the last paragraph, where he suggested several minor changes

which did not alter the text of the proposed release in substance. He indicated that he approved of the idea of such a press release.¹

Minister Fernandes also brought up the subject of Brazil's concern regarding the intentions of President Perón of Argentina. He mentioned specifically the Chileans and Uruguayans as those being immediately vulnerable and implied that Brazil was equally interested. The Minister indicated that he was fully appreciative of the position of the United States vis-à-vis Argentina, but he left no doubt as to his concern and his opinion that Perón constitutes a serious threat to the tranquility of the southern part of the continent.

The Minister also casually mentioned to the Secretary the latter's impending trip to Paris and the meeting of Foreign Ministers.²

The visit concluded at 4 p. m. but, after leaving the Secretary's office, the Minister conversed briefly in the reception room with several members of the press.

DUWAYNE G. CLARK

¹ The text of the joint statement by Presidents Truman and Dutra was issued as a press release on May 21; text in Department of State *Bulletin*, May 29, 1949, p. 694.

² For related documentation, see volume III.

832.001 Dutra, Gaspar/5-1849

Memorandum by the Acting Secretary of State to President Truman

SECRET

[WASHINGTON.] May 18, 1949.

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Topics for Discussion with President Eurico Gaspar Dutra of Brazil ¹

The Department has received no information from the Brazilian Government or the Brazilian Ambassador ² that President Dutra has any intention of discussing personally either political or economic subjects during his visit to this country. On the contrary, it has been repeatedly emphasized by the Brazilians that this is an official courtesy return visit in repayment of President Truman's visit to Brazil in 1947.³

1. There are no political problems of any consequence between the two countries that require discussion at this time. It is vaguely possible that President Dutra may raise the point of Brazil's need of arma-

¹ President Dutra visited the United States, May 18-27, 1949.

² Mauricio Nabuco.

³ Concerning President Truman's visit to Brazil to attend the closing meeting of the Inter-American Conference for the Maintenance of Peace and Security, see *Foreign Relations*, 1947, vol. VIII, pp. 1 ff.

ments. This matter is, of course, directly related to the Hemisphere Defense Pact, and it is recommended that, if this subject should be discussed, President Dutra be reassured of our recognition of Brazil as our twice-proven ally and our intention of cooperating with her in every way within the limits of our capabilities.

2. Brazil has taken an active part in the International Refugee Organization but has not yet become a ratifying power. Brazil has not yet fully developed these plans, largely because of budgetary limitations. At the time of the Bogotá Conference,⁴ the Brazilian Foreign Minister seemed to be under the impression that Brazil had a definite commitment from this Government for a loan of \$50,000,000 which would be utilized for the implementation of the Brazilian IRO program. This impression was entirely erroneous. It is suggested that this matter of the implementation of the IRO and Brazil's participation be played down as much as possible in case the question is raised by the Brazilians. If we actively encourage Brazil's more active participation in the plan, it almost inevitably will be followed by a renewal of suggestions regarding a sizable loan on a government-to-government basis.

3. There are several economic subjects which may be touched on by President Dutra in a very general way. He is likely to extend the appreciation of his Government for the services extended by North American experts in the preparation of a joint technical report on the economic development possibilities of Brazil. The position of this country is that we were happy for an opportunity to afford this collaboration and that we are hopeful that the report will constitute a framework for the further development of Brazil.

4. It is also possible that there may be mentioned the desirability of negotiating between the two countries (1) an economic development and investment treaty, and (2) a tax treaty pointing towards the elimination of double taxation. President Dutra can be assured that both of these matters are of interest to us and that this Government stands ready to open negotiations at any time.

5. It is not expected that the petroleum problem in Brazil will be brought up. Briefly, Brazil has promising petroleum possibilities but, due to a pressure campaign carried forward by Communists and extreme Nationalists, a petroleum law which would permit the entry into the country of exploration companies has not yet been passed by the Congress. The Brazilian President can be told that we believe that the development of petroleum possibilities in Brazil would be of very great assistance to the economy of the country. It might also be men-

⁴ For documentation on the Ninth International Conference of American States, held at Bogotá, Colombia, March 30-May 2, 1948, see *Foreign Relations*, 1948, vol. ix, pp. 1 ff.

tioned that no inter-government loans for a purpose of this type are contemplated in view of the fact that there is abundant private capital and technical know-how ready to enter Brazil if and when a proper petroleum law has been passed by the Brazilian Congress.

There is attached hereto a duplicate set of biographic material on the members of the official Brazilian party,⁵ the originals of which were forwarded on May 12. There is also attached a proposed press release for Friday, May 20, covering these conversations between the two Presidents.⁶

JAMES E. WEBB

⁵ Not printed.

⁶ See footnote 1 to the memorandum of conversation by Mr. Clark, *supra*.

811.51232/5-2649

*Memorandum of Conversation, by Mr. Harold Midkiff of the Division
of Brazilian Affairs*

SECRET

[WASHINGTON,] May 26, 1949.

Participants: Raul Fernandes, Brazilian Foreign Minister
Afranio de Mello-Franco, Counselor, Brazilian Em-
bassy, Washington, D.C.
Edmundo Barbosa da Silva, secretary to Mr.
Fernandes
U—Mr. Webb
ARA:BR—Mr. Midkiff

Mr. Fernandes stated that his visit was of a friendly, informal character and more in the nature of an exploratory conversation.

After an inquiry about developments in Paris, he quickly launched into the Argentine situation by asking if Mr. Webb had conversed with a certain Uruguayan Senator recently. This Senator was reported to have a message for the Department from his President and from the President of Chile on the subject of Argentina. Mr. Webb ascertained that the Senator had conferred with Mr. Daniels¹ and had departed feeling pretty well satisfied as to the purpose of his visit. Mr. Fernandes went on to discuss his concern over developments in Argentina and the pressure which that country is exerting on Uruguay and Paraguay. In connection with the latter country he stated that its Government had asked Brazil to speed up construction of railroad and highway connections to provide an outlet through the port of Santos.

¹ Paul C. Daniels, Director of the Office of American Republic Affairs, and U.S. Representative on the Council of the OAS.

The Minister stated that in the past "a balance" existed between Brazil and Argentina in South America but that Argentina has been gaining strength to the disadvantage of Brazil. Brazil, said the Minister, was weakened by its contribution to the war while Argentina profited from it; a weak Brazil is disadvantageous to the United States' policy in Latin America while a strong Brazil would be helpful. The Minister stated that Brazil had never failed to support the United States in time of need, even when such support was clearly discriminatory. He thought Brazil should receive reciprocally favorable discriminatory treatment from the United States. The provisions for assistance contained in the joint statement of Presidents Truman and Dutra were not good enough, he said, since they were open to any nation.

Mr. Fernandes stated the United States is spending billions in aiding Europe and that some of these funds are being used to develop production in Africa and elsewhere of items which compete with Brazil in the international market—especially the European market. To take care of this situation the Minister said Brazil has to increase the consumptive capacity of its own people and enlarge its domestic markets. To accomplish this, he said, it will be necessary to obtain foreign assistance so that certain basic factors of Brazilian economic life such as transportation, education and health might be improved.

Mr. Webb asked if the work of the Joint Brazil-United States Technical Commission did not provide a solution to difficulties which Brazil was encountering. The Minister replied that while the work of the Commission was accurate and good it did not go far enough. Mr. Webb suggested that the resources of the Export-Import Bank and the International Bank might be useful in this connection but Mr. Fernandes said the Export-Import Bank finances exports of United States goods and does not cover other large expenditures while the International Bank is too cautious. He commented that in former days it was possible to have recourse to capital markets but this is no longer possible. Mr. Webb then inquired if the technical assistance program might not be helpful. The Minister asked, "What good are technicians without capital?". Mr. Webb inquired if something could be done to break down the barriers to the flow of private capital and thus provide a solution to the problem. The Minister countered with the statement that the principal barriers to the flow of private capital stem from inconvertibility of exchange and balance of payments difficulties; these cannot be removed quickly. Furthermore, he said, United States capital has great opportunities in this country and will not seek employment abroad where the additional risks are not compensated by sufficiently greater earnings.

Mr. Webb asked if there was not some growth in capital accumulation in Brazil which might be applied to development and the Minister replied that capital growth had not kept pace with the increase in population and that there was no market for Government securities.

Mr. Webb inquired whether the Brazilian Government had a program of development which might be used as a basis for discussion and study. To this the Minister replied that Brazil would not wish to present a program without some assurances, at least in principle, that help would be forthcoming. He previously had stated in reply to a question that none of these problems had been discussed by members of Dutra's party during the President's visit since this visit was purely one of courtesy and friendship and that Brazil could not broach such topics unless the initiative were taken by the United States. He said Brazil would ask for nothing but hoped something would be offered; a few millions of dollars in the form of a *loan* could not be considered important by the United States when billions were being *given* away. Here again he said the reason that the United States was reticent in doing anything for Brazil is fear of stirring up jealousies among other Latin American countries and repeated that in view of the past record Brazil deserved favorable treatment even to the extent of being discriminatory.

(During Mr. Webb's absence for a few minutes in the course of the visit, Mr. Fernandes mentioned the figure of \$600 million as an appropriate amount of financial aid over a six-year period but he said he did not care to make this known to the Acting Secretary. He again went over the cost of Brazil's contribution in the war and roughly estimated it at \$700 million. When this matter was again mentioned, Mr. Midkiff took the opportunity to remark that it was fortunate the United States had in Brazil a friend willing to fight and sacrifice to safeguard the same ideals in which we believe. It also was mentioned that the concept of free, private enterprise was still foremost in American thought though some trend away from this has been noticeable especially when emergency conditions have to be met.)

When Mr. Webb returned he brought in Secretary Tobin,² who greeted the group and departed.

Mr. Webb stated he would have to consult Mr. Acheson about the problem posed by the Minister. He explained that any assistance outside that available through established organizations involved a question of policy and would require Congressional authorization. Mr. Webb asked if the Minister would care to designate some technically qualified person to discuss this matter with the Department's technicians and the Minister replied that he did not like technicians

² Secretary of Labor Maurice Tobin.

since they cannot see the political picture. Mr. Webb then inquired if the Brazilian Ambassador would be available to talk about the subject. The Minister replied that the Ambassador would be available but that he would discuss this matter only if invited by the Department to do so. Mr. Webb assured Mr. Fernandes that both Mr. Acheson and the President were very interested in Brazil and that upon Mr. Acheson's return the Brazilian Ambassador would be called in for further discussions about this matter.

Before he left Mr. Fernandes stated that he was having dinner with Mr. Vandenberg that evening and Mr. Connally the next evening.³ He indicated he would be returning to New York over the weekend in order to catch a boat for Brazil sailing June 4.

³ Senator Tom Connally, Chairman of the Senate Committee on Foreign Relations, and Senator Arthur H. Vandenberg, ranking minority member of the same committee.

800.515 B.W.A./7-849

*The Assistant Chief of the Division of Brazilian Affairs (O'Toole)
to the Counselor of Embassy in Brazil (Brooks)*

CONFIDENTIAL

WASHINGTON, July 8, 1949.

DEAR CLARENCE: There is enclosed a copy of a despatch,¹ and its accompanying enclosure, that will go forward today or Monday. The enclosure consists of a copy of a letter addressed to Mr. Thorp, on June 24, by the United States Executive Director of the International Monetary Fund. In this document the latter attempts to refute the Brazilian position, as presented in the Embassy's despatch No. 497, of June 10,¹ with respect to the rejection of Brazil's recent application for dollar drawings from IMF.

Jim Corliss² agrees with me that the United States Executive Director's statements completely fail to meet the real issues involved, and merely skirt them. You will note, in particular, that he makes no reference to his statement to NAC (which I, myself, heard him make), that the Brazilians acted in bad faith—the particulars of which allegation were set forth more fully in my files memorandum of May 27,¹ of which a copy went forward to you.

I hope this finds you well and doing your best, under the load.

Best regards—

Sincerely,

RICHARD F. O'TOOLE

¹ Not printed.

² Assistant Chief of the Division of Financial Affairs.

[Enclosure]

The United States Executive Director of the International Monetary Fund (Southard) to the Assistant Secretary of State for Economic Affairs (Thorpe)

CONFIDENTIAL

WASHINGTON, June 24, 1949.

DEAR WILLARD: I have read Report No. 497 of June 10, 1949, from Rio, in which the Embassy reports the great disappointment among Brazilian officials over Brazil's inability to draw a second \$15 million on the Fund. I noted particularly the final paragraph which states that "The Embassy feels that the refusal of Brazil's second application is unfortunate because . . . it is probable that the IMF has lost support in Brazilian official circles and that the United States will bear a large part of the onus."

I realize that it is difficult to convey to officers in the field the full sense of the reasons which dictate decisions of the Government in Washington, and I am also aware that the State Department has done its best to explain to the Embassy the reasons why we proposed a delay in Fund action on the Brazilian request. Possibly, however, another effort might be made to emphasize to the Embassy the following aspects of the situation.

(a) The second request had to be considered against the background of Brazilian assurances at the time of the first request on April 1, that the exchange situation was in hand and that it was opportune to make an attack on the problem of arrears. It was clear at the end of May that these expectations had not been borne out by the facts and that it was altogether reasonable to expect the Brazilians to demonstrate effective results before further drawings on the Fund.

(b) The United States has declared in the Fund that it will approve drawings only where countries meet the test of rather strict criteria. Brazil may be able to meet these criteria if they carry out their stated intentions with respect to the administration of their foreign exchange resources and maintain firm controls over their internal monetary and fiscal situation. But, in the meantime, the U.S. Executive Director was in no position to relax the application of these criteria in the case of Brazil.

(c) The U.S. Executive Director did not argue that Brazil's financial difficulties are "permanent" nor did he object to the use of a drawing to repay the Federal Reserve Bank loan.

I am sending a copy of this letter to Assistant Secretary of the Treasury Martin and to Mr. J. Burke Knapp.³

Sincerely yours,

FRANK A. SOUTHARD, JR.

³ Director of the Office of Financial and Development Policy.

832.51/8-3149

The Secretary of State to the Embassy in Brazil

RESTRICTED

WASHINGTON, August 31, 1949.

No. 228

The Secretary of State reviews herein for the information of the Officer in Charge, developments relative to the economic discussions between this Government and the Government of Brazil.

On May 21, 1949 the White House announced, on behalf of the President of Brazil and the President of the United States, that representatives of their respective Governments would be instructed to commence negotiations for an investment treaty and that a joint study of tax relations, between the two countries, would be made with a view to negotiating an appropriate agreement.

On May 23, 1949 Mr. Octavio Bulhões, of the Brazilian Ministry of Finance, visited the Department to seek our views informally with respect to the proposed investment and taxation agreements and the current dollar exchange backlog situation in Brazil. He was introduced to the appropriate officials of the Department for discussion related to the investment and taxation agreements and arrangements were made to discuss the exchange backlog situation at a later date. On this same occasion Mr. Bulhões was asked whether Mr. Octavio Paranagua, Brazil's delegate to the International Monetary Fund, would be interested in these prospective exchange backlog discussions and upon answering affirmatively was informed that Mr. Paranagua would be welcome to participate. From that time, up to the present, these exploratory discussions have continued, intermittently, in Washington.

On June 2, 1949 Mr. Bulhões visited the Export-Import Bank for the purpose of discussing, informally, a proposed three-year credit for Brazil, in the amount of US \$100 million, for liquidation of Brazil's past-due dollar exchange backlog. He also proposed an additional credit of US \$35 million, on a "call" basis, repayable over a longer period and for use in necessary equipment purchases. The Bank has taken the position of deferring consideration of these proposals until the results of the new Brazilian exchange and import controls can be appraised.

On June 9, 1949 public notice was given, in this country, of the proposed joint study of tax relations. Certain information related thereto was requested of the Embassy by the Department's Instructions 140 of June 22, 1949 and 151 of June 26, 1949, to which the

Embassy replied through its Despatches 538 of July 7, 1949 and 651 of July 26, 1949.¹

On June 21, 1949 the draft of a so-called Treaty of Friendship, Economic Development and Commerce² was presented to Mr. Bulhões who said that he had expected a draft of an investment treaty but that the draft handed him was different. He added that he would be glad to forward a copy of this document to his Government, through Mr. Paranagua who expected to fly to Rio de Janeiro the following day. Mr. Bulhões then expressed preference to negotiate a separate investment treaty in Washington and was assured that the United States wished to reach a mutually agreeable accommodation but strongly preferred to negotiate a complete FCN treaty. It is the Department's belief that, if the several negotiations are carried on together and kept interrelated, it will be possible to negotiate considerably more than the investment provisions. Mr. Bulhões added that he would be ready to commence negotiations upon Mr. Paranagua's return to Washington in another week and said that he would like to have the latter participate in the negotiations. At Mr. Bulhões' request Departmental officers met with him on July 14, 1949 to again discuss this draft treaty of Friendship, Economic Development and Commerce and particularly an inquiry he had received from his government as to what articles would be eliminated if the treaty were limited to investment provisions. On this occasion Mr. Paranagua participated in the meeting.

By a formal note of July 14, 1949,² to the Brazilian Embassy, Washington, the Department suggested that both the United States and Brazilian Governments name one or more representatives to carry on discussions on these various economic proposals. The note was acknowledged by the Embassy, on July 18, 1949, with assurances that the Brazilian Government's reply would be communicated as soon as received. A second formal note on the Brazilian Embassy,² bearing the same date but received two days later, informed the Department that Mr. Octavio Paranagua, in collaboration with Mr. Octavio Bulhões, had been designated by the Brazilian Government to negotiate for means of liquidating the backlog of past-due dollar exchange as well as the acquisition of equipment necessary for Brazil's economic development. This note made no reference to any previous communication between the Embassy and the Department. The Department is without further reply to its note of July 14, 1949, and neither the Department nor the Bank has been approached about this exchange

¹ None printed.

² Not printed.

backlog proposal since receiving notice of Mr. Paranagua's designation. Mr. John Abbink has been acting as the negotiator and coordinator of the U.S. position on all economic negotiations.³

³ Under cover of a note from the Brazilian Embassy, August 25, Mr. Bulhões submitted a letter to Under Secretary of State Webb, dated August 24, embodying suggestions for negotiation of a bilateral agreement on investment guarantees; neither the note nor the letter is printed. (811.51232/8-2549)

832.50 JTC/10-449

*Memorandum by the Officer in Charge of Brazilian Affairs (Clark)*¹

CONFIDENTIAL

[WASHINGTON,] October 13, 1949.

Subject: Future Treaty Negotiations with the Brazilians

Following up Mr. Miller's memo of October 6,² which suggested that a meeting with Mr. Winthrop Brown³ be arranged to explore the subject topic, I can report that Mr. Tewksbury⁴ and I met with Mr. Brown yesterday at 12 noon. Mr. Corliss had originally planned upon going with us but he was indisposed. Mr. Nufer,⁵ who was also informed of the meeting, had a prior engagement.

Mr. Tewksbury and I explained to Mr. Brown that there are positive indications that the Brazilian Government does not find itself able to carry out negotiations on the basis of the draft of a proposed treaty of commerce, economic development and friendship which was submitted to the Brazilians through Mr. Bulhões several months ago. I repeated to Mr. Brown in substance the information contained in Ambassador Johnson's letter to me dated September 30² and stated that, while the draft has been studied, the Brazilians seem to have lifted out those clauses which apparently pertain to investment matters and that, with the return of the Brazilian Ambassador (he arrived yesterday, October 12), the probabilities are that he has been instructed to approach the Department and suggest the negotiation of a treaty which would cover only investment matters. I pointed out to Mr. Brown that this was not unexpected and was in keeping with the Presidential announcement of May 21, in which it was agreed that President Dutra and President Truman would appoint tech-

¹ The memorandum was addressed to the Assistant Secretary of State (Miller) and the Deputy Assistant Secretary of State (Barber) for Inter-American Affairs.

² Not printed.

³ Director of the Office of International Trade Policy.

⁴ Director of the Office of East Coast Affairs.

⁵ Mr. Albert F. Nufer of the Bureau of Inter-American Affairs.

nicians to negotiate "an appropriate treaty that would stimulate the mutually beneficial flow of private investment".

Mr. Tewksbury and I both inquired of Mr. Brown as to his position and whether he felt that in any subsequent conversations with the Brazilians it would be necessary to attempt to insist upon the negotiation of the draft as presented or whether conversations could be held on a basis of a briefer text which would concern itself largely with investments. Mr. Brown pointed out that certain of the clauses in the draft treaty had been included at the recommendation of American business people with whom consultations had been held. He stated that perhaps some of these should be eliminated but he emphasized the desirability that any treaty to be discussed and negotiated should be of sufficient breadth so as to cover the miscellany of conditions—for instance, the right of an American firm to own or lease property in Brazil—all of which contribute towards an atmosphere which will, it is hoped, encourage the investment of private funds in Brazil.

It was suggested to Mr. Brown that certain of the chapters and paragraphs of the draft treaty are unconstitutional from the Brazilian point of view, and he expressed complete willingness to the elimination of these elements. Mr. Brown repeated his feeling, a point with which Mr. Tewksbury and I heartily agreed, that any treaty between the two countries, to serve a practical and useful purpose, must be sufficiently flexible to cover a number of items which are related to the strictly investment or financial phases.

It was agreed that this matter should be left in suspense until some indication has been received from the Brazilians that they are desirous of renewing conversations on this subject. I told Mr. Brown that I had gained an impression that there was some feeling in the Department that any conversations with the Brazilians should be on a horse trading basis, that is, that we should demand the long form treaty—a text including the shipping clauses, the right to free religion, et cetera—and that unless the Brazilians were willing to go along with us on this basis we should not pursue the matter further. I gained the impression from Mr. Brown that this all-or-nothing impression which I had was certainly not his feeling and that he was in agreement with our attitude that, if the Brazilians wish to open negotiations on what might be described as an investment treaty, he would approve on a basis that such a treaty should be as flexible and as inclusive of related matters as is possible.

DuWAYNE G. CLARK

832.50/11-2849

Memorandum of Conversation, by the Officer in Charge of Brazilian Affairs (Clark)

CONFIDENTIAL

[WASHINGTON,] November 28, 1949.

Participants: Assistant Secretary Miller
Ambassador Mauricio Nabuco of Brazil
Mr. Antonio Borges Leal Castello Branco, Second
Secretary, Brazilian Embassy
Mr. DuWayne G. Clark, EC

On Friday, November 25, the Brazilian Ambassador, at his request, called on Assistant Secretary Miller at 5 p. m. The Ambassador explained that he was calling to welcome the Assistant Secretary back after his trip to the West Coast countries and he also stated that he wanted to tell the Assistant Secretary in a general way of a speech which the Brazilian Ambassador to the U.N., Cyro Freitas Valle, will make before the Pan American Society in New York this week. The Ambassador stated that Freitas Valle will discuss rather pointedly the fact that at least a certain proportion of the ECA financing which is going to European countries is, in turn, being diverted to the development of Africa and that this development is directly competitive with Brazil. The Ambassador stated that he realized that this was not a new thought but that it is a matter which is very much in the minds of many of the Brazilian officials.

The Assistant Secretary pointed out to the Ambassador that Ambassador Freitas Valle has been of tremendous assistance to our U.N. Delegation and that we are very grateful to him. He said that his rather sudden departure for Brazil on December 3rd had made it impossible to complete plans for a rather large luncheon which the Assistant Secretary had hoped to give for Freitas Valle before he left this country. As regards his proposed speech in New York, the Assistant Secretary emphasized that, whereas the ECA help for European and certain other countries is of a temporary character, our interest in Latin American development is in no way prejudiced but that we visualize this development as a long range and permanent policy, not an emergency gesture. The Ambassador stated that he understood this situation very well and that he often thought that perhaps most Latin American countries, Brazil included, were not able to absorb financial help as fast as this country might be willing to grant it.

Ambassador Nabuco reported that, while the matter is going very slowly, he has every confidence that Brazil's request for financial

assistance of the International Bank in connection with the development of the São Francisco power project will result favorably. He stated that he had at various times explained to his Government that the rather slow process in Washington was no indication of sentiment and that its very character might be advantageous. He emphasized that once either the International Bank or the Eximbank has committed itself to a proposal there is little question but that the proposal will be completed regardless of any change in government which may take place in the benefitting country.

The preliminary conversations with Octavio Bulhões, the Brazilian representative of the Ministry of Finance, were reviewed for the Ambassador and he was asked whether it was true, as had been suggested by Bulhões, that the Brazilian Government would be unwilling to allow material progress to be made in the discussions covering the proposed joint guarantee plan, as well as the draft of a treaty of commerce, economic development, and friendship, so long as the authorities of this Government could not indicate how far we might go towards granting special concessions under a proposed double taxation treaty.¹ It was pointed out to the Ambassador that the concessions in which Brazil seems to be interested, that is, an idea that profits remitted to this country from Brazil should not be subject to the full income tax schedule, was something that would require Congressional action and would be multilateral in character. The Ambassador stated that he did not believe that discussions on the other agreements were necessarily contingent upon the double taxation treaty, although he did remark that in his judgment and in the judgment of many of Brazil's leading authorities a concession on profits remitted from Brazil would be a most important point in encouraging capital to enter that country.

Before the Ambassador made his departure, he discussed with the Assistant Secretary both the unhappy situation in Panama and the prospects of the Colombian election.² He seemed quite receptive to the Assistant Secretary's suggestion that no immediate consultation as regards Panama was necessary.³

DuWAYNE G. CLARK

¹ According to a memorandum (not printed) of November 7 by Mr. Clark, on October 31 Mr. Bulhões had left at the Department of State two Brazilian draft proposals (neither printed), one for a joint U.S.-Brazilian guaranty scheme for dollar investments in Brazil, and the other for a proposed double taxation treaty between the two governments (711.3211/11-749).

² For pertinent documentation, see the compilation on Colombia.

³ For pertinent documentation, see the compilation on Panama.

832.51/12-849

Memorandum by the Assistant Officer (O'Toole) to the Officer in Charge of Brazilian Affairs (Clark)

[WASHINGTON,] December 8, 1949.

Subject: Chronology of Proposed Gold Loan for Liquidation of Brazilian Backlog.

In a memorandum to you, on March 15, 1949¹ I proposed that immediate steps be taken to sound out New York Federal Reserve Bank regarding a possible loan of \$120 million, secured by Brazilian gold in possession of that bank and for the purpose of liquidating the so-called commercial backlog. It was further proposed that in the event of favorable action we seek to obtain the political advantage of having President Truman communicate this offer to President Dutra following his arrival in this country on May 18. At the time, you asked John Abbink what he thought of the proposal and he replied favorably, adding "but, a loan from New York Fed alone will not clear the air—a private loan, or a loan from the Fund will have to be made for the balance. I think a number of the New York banks would take up to \$50 million in addition, if NY Fed led the way. I doubt anyone in President Dutra's party will ask for a loan. Souza Costa may make some soundings".

On March 21, in a second memorandum to you¹ I set forth my disagreement with Abbink's proposal to split the loan and gave my reasons therefor. On March 21 copies of my original proposal were sent to Messrs. Hayes (E),² Corliss (FN), and Malenbaum (ED).³ From that point on the proposal was bandied about among OFD, FN, ED, the Treasury, the Federal Reserve Board, New York Fed, and (presumably) several New York banks, with a result that a number of variations of the original proposal were made. For example, on April 8, in a note to Mr. Thorp,¹ Mr. Knapp sought authority "to get after the Federal Reserve system to take some constructive action to help clear up the backlog of commercial payments which has accumulated in Brazil". On this occasion he proposed a gold loan of \$160 million, of which \$120 million was to be used to pay off the backlog

¹ Not printed.

² Samuel P. Hayes, Special Assistant to the Assistant Secretary of State for Economic Affairs (Thorp).

³ Wilfred Malenbaum, Chief of the Investment and Economic Development Staff.

and \$40 million for refunding the balance due on an existing refunding of a Treasury stabilization loan. Moreover, he suggested the idea of Brazil selling part of its gold for liquidation of the backlog.

On April 15, Mr. Knapp, in another memorandum to Mr. Thorp,⁴ reported that, with the approval of a Governor of the Federal Reserve System, he had discussed this variation of the loan with an official of New York Fed who received the proposal favorably and promised to sound out various New York banks during the following week.

On April 21 Mr. Willis, Treasury, in a lengthy memorandum⁴ to Mr. Knapp came up with the idea that maturity of the \$40 million balance of the outstanding Brazilian Treasury loan from New York Fed, should be extended and that Eximbank should open a \$50 to \$75 million credit for liquidation of the Brazilian commercial backlog on a contingency basis.

On April 28, 1949 you wrote a memorandum⁴ to Mr. Knapp clarifying our motives and position in the matter of the original loan proposal, emphasizing that President Dutra would arrive three weeks hence and requesting that a meeting be called to try to get some action. In the meantime our Rio Embassy, in response to a telegraphic inquiry from FN, expressed the opinion that the Brazilian Government would not strongly object to pledging gold against the originally proposed loan but would be unwilling to do so for a backlog liquidation loan from private banks. On May 3, you received a draft memorandum⁴ from Malenbaum to Thorp, intended for Under Secretary Webb's signature, in which Mr. Malenbaum proposed taking up with President Dutra a number of matters to which you took exception in a memorandum⁴ to Messrs. Daniels, Rusk and Webb on the same date.

Up to the time of President Dutra's arrival no action was taken on the loan proposals. On May 23, 1949 I was invited to attend a meeting in Mr. Knapp's office along with a number of other people in the Department for the purpose of meeting and discussing Brazilian affairs with Mr. Octavio Bulhões of the Brazilian Ministry of Finance. In response to a question Mr. Bulhões opened the discussion by saying that he was acting informally but that he desired to find out what the Department's thinking was with regard to the matters included in the joint statement of the American and Brazilian Presidents. He brought up the subject of the backlog liquidation and Mr. Abbink, who was

⁴ Not printed.

present, suggested the possibility of paying off the American exporters with notes which, by arrangement, could be discounted by Export Import Bank. Mr. Knapp told Mr. Bulhões that he himself would like to discuss the backlog situation and arranged to confer with him at a later date. Since that time there has been no action on the original loan proposal.

RICHARD F. O'TOOLE

CHILE

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND CHILE¹

725.35/1-1149 : Airgram

The Acting Secretary of State to the Embassy in Argentina

SECRET

WASHINGTON, January 11, 1949.

A-9. The following comments based on reports from Chile may explain in part the concern of that country re Argentina.

Embassy, Santiago, has been informed by member US naval mission recently returned from Rio de Janeiro that Argentine Ambassador some time ago called on Brazilian Foreign Office to denounce Sr. Mario Rodriguez as a "crook" and "communist" and some Rio newspapers subsequently published similar charges against Rodriguez.

(For your use if opportunity arises for statement:

(Sr. Rodriguez is Minister-Counselor of Chilean Embassy in Washington. He is married to American woman and has served many years in Chilean Embassy in progressively more important posts. He is known to officers of Department as unusually able, serious and competent and it is believed he is held in similar esteem by colleagues in the diplomatic corps of Washington.)

This is one more incident tending to increase the uneasiness of the Chilean Government over what it considers hostile attitude toward it of Argentine Government. Chilean belief that Argentine consular and other officials were involved in subversive plot² has added to nervousness. President Gonzalez Videla on November 23 asked Ambassador Bowers to arrange for some act by US which would indicate US support and strengthen his Government at home and in its relations with Argentina. The Chilean President expressed doubt that the United States Government realized the significance of the present trend in South America which he holds threatens to encircle Chile with anti-democratic regimes.

Department's telegram 424 of November 24 to Santiago,³ a copy of which was sent you on November 30, instructed Ambassador Bowers to reassure President and Foreign Minister⁴ of our continuing friend-

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 415 ff.

² Reference is to an abortive military coup in Chile in November 1948.

³ Not printed.

⁴ Germán Riesco.

ship and also our desire to take any appropriate action which would have reassuring effect in Chile consistent with our policy of friendship for all American republics. The Department's disapproval of the use of force, as an instrument of political change (Dept's circular telegram of Dec. 16 ⁵) and Dept's press release of December 21 on this subject ⁶ were very favorably received by President Gonzalez Videla. At the same time, the Foreign Minister and the President of the Chilean Senate ⁷ have endeavored to calm down Chilean press and public reaction to the charges of Argentine involvement in the recent Chilean plot.

Notwithstanding the foregoing efforts to lessen Chilean-Argentine tension, there have been continuing indications that the Chilean Government is extremely disturbed over the situation and is convinced that Perón ⁸ has aggressive intentions which are awaiting only the opportune moment for concrete expression. The Chilean Ambassador in Washington ⁹ and Mario Rodriguez have both expressed their Government's apprehension in conversations with officers of the Department.

The statements attributed to Perón in the interview by the Buenos Aires correspondent of *La Razon* of La Paz published in that paper on Dec. 31 have naturally served further to increase Chilean alarm with regard to Argentina. In spite of Perón's reported reference to the question of the free port area in Rosario, subsequently confirmed by Argentine Foreign Minister,¹⁰ Chilean touchiness regarding the Bolivian port issue is naturally sufficient to cause Chile to assume that Perón is looking westward.

The Dept has endeavored in its conversations with Chilean representatives here to point out that the Rio Treaty ¹¹ provides a substantial bulwark against military aggression, that we have no evidence that Argentina had a hand in bringing about the overthrow of the governments in Peru and Venezuela,¹² and that we wonder whether Chilean fears might not be exaggerated. Nevertheless, the Chileans are not completely convinced and Perón's saber-rattling activities are not serving to reassure them.

LOVETT

⁵ The text of this message is printed in *Foreign Relations*, 1948, vol. ix, p. 147.

⁶ Text in Department of State *Bulletin*, January 2, 1949, p. 30.

⁷ Arturo Alessandri.

⁸ Juan D. Perón, President of Argentina.

⁹ Felix Nieto del Rio.

¹⁰ Juan Bramuglia.

¹¹ Text in Department of State Treaties and Other International Acts Series (TIAS), No. 1838, and 62 Stat. (pt. 2) 1681.

¹² For pertinent documentation, see the compilation on continuance by the United States of diplomatic relations with new governments on the basis of the Bogotá Resolution and consultation with other American Republics, in *Foreign Relations*, 1948, vol. ix, pp. 111 ff. and pp. 126 ff.

825.5151/4-2149

*Memorandum by Mr. Edgar L. McGinnis of the Division of North and West Coast Affairs*¹

RESTRICTED

[WASHINGTON,] April 21, 1949.

A recent despatch from Santiago (No. 230 of April 4, 1949²) emphasizes two fundamental problems in the economic field faced by Chile. It is felt that since these problems are actually common to many ARA countries, this memorandum might be of interest to other divisions of ARA.

The Embassy's despatch under reference is based upon a conversation between an officer of the Embassy and Sr. Alessandri, Chilean Minister of Finance. The first problem covered is how far Chilean financial policy can go in curbing inflationary tendencies in the light of the preoccupation of business interests over the possibility of a business recession. This concern is increasingly general and has naturally been stimulated by reports of deflationary tendencies in the U.S., particularly the weakness in the metals and agricultural markets in this country. Accordingly, Chilean officials face the dilemma, which is common to many LA governments, of ascertaining which way the economic cat may jump. Official efforts have been directed toward slowing rather than halting inflation and have been influenced by the possibility that a reversal of policy might be required in the event that deflationary tendencies become predominant.

From the long term point of view, Sr. Alessandri's comments upon Chile's motives in endeavoring to attract foreign capital are of more general interest. The Embassy's summary of his remarks along these lines is quoted in extenso:

"Sr. Alessandri's candid, almost cynical reference to the motives behind the Chilean Government's efforts to attract foreign capital (and hence its recent orthodox fiscal and monetary policies) merits particular attention. He developed a similar line of thought in a speech before the delegates to the Hemispheric Stock Exchange Conference last autumn, when, speaking of the underlying causes of inflation, he mentioned 'a disproportionate tendency to consume, stimulated by motion pictures and other highly developed informational media.'

"To the Governments of underdeveloped countries, this general problem, a reflection of the times, is a fundamental one. Wartime influences, and the postwar ideological conflict, have awakened new and often far-reaching hopes and economic aspirations among populations

¹The memorandum was addressed to the Deputy Director of the Office of American Republic Affairs (Woodward), the Chief of the Division of North and West Coast Affairs (Mills), the Acting Assistant Chief of that division (Krieg), and Mr. Bainbridge C. Davis of the same division.

²Not printed.

which had formerly been more or less resigned to traditional ways of life, at or close to a subsistence level. Today their Governments, in so far as they respond to democratic forces, must seek a rapid adaptation to the economic and political culture of the 'century of the common man.' At the same time, the favored and influential classes want to imitate the outward forms of American life, sporting expensive imported luxuries, while also trying to safeguard past economic, social and political privileges. To satisfy the aspirations of both groups, Governments foster ambitious development programs; the political need of emphasizing propaganda value often causing less dramatic but more practical needs to be overlooked. The interplay of these forces, which give rise to strong political as well as economic pressures, causes these nations to live beyond their immediate means, and to expect rapid advances in living standards without the hard, patient and undramatic work and sacrifice which has always been a prerequisite of progress, especially progress on a broad base. This is especially true in Latin America, where emphasis is so largely on dramatic political action by the central government, rather than on quiet individual and collective effort on the private level.

"Sr. Alessandri's remark acknowledges that the attraction of foreign capital is the obvious and perhaps the only politically feasible way out of a dilemma forced upon governments by the main cultural trends of the times. If the flow of investment fails to come, they—and we—court the danger of widespread disillusionment. On the other hand, too great reliance on foreign effort and capital alone, and too great an emphasis on showy projects for which political credit can be claimed, tend to mortgage the future, and may lead to default when and if serious deflation next occurs."

825.6352/4-2849

Memorandum by Mr. Bainbridge C. Davis of the Division of North and West Coast Affairs to the Director of the Office of American Republic Affairs (Daniels)

CONFIDENTIAL

[WASHINGTON,] April 29, 1949.

With reference to Santiago's Telegram No. 212 of April 28 (copy attached¹), there is also attached a copy of a memorandum of conversation between Chilean Ambassador and Mr. Thorp which I attended on April 27.² The Ambassador intimated the same possibility of increased taxes on copper to offset the falling price which President Gonzalez Videla indicated to Ambassador Bowers. Mr. Thorp referred

¹ Not printed. In the telegram, Ambassador Bowers reported that President Gonzalez Videla had warned him that Chile faced an enormous loss in revenue should copper prices decline, posing an economic threat to Chile of the utmost gravity (825.6352/4-2849).

² Memorandum of conversation not printed; Willard Thorp was Assistant Secretary of State for Economic Affairs.

to the favorable atmosphere which had recently been created for foreign investment in Chile and the confidence shown by the Anaconda Company in scheduling large investments in its copper mines. He expressed the hope that Chile would consider carefully the importance of not taking steps which would interfere with these favorable developments.

I believe that the Chilean Government realizes that we are not in a position to prevent a decline in the price of copper, whether this would be desirable from a world-wide point of view or not. On the other hand, the Chilean Government has taken the position that the copper companies are to blame for this decline and both President Gonzalez Videla and Ambassador Nieto have referred to the fact that each company is accusing the other of having started it. In order that we may have an opportunity to discuss the entire problem with the companies, I have suggested to Mr. Nichols of IR³ that he arrange a meeting in the Department with representatives of Anaconda and Kennecott.

I believe that the important thing at the moment is to help the Chileans realize that while the decline in the price of copper is unfortunate from the point of view of their economy, it is particularly important that they not undertake short-sighted, short-term solutions which will react adversely upon the development of their economy as a whole, particularly at a time when we are endeavoring to facilitate United States technological and financial assistance. I shall consult with others in the Department in drafting a reply along this line to Ambassador Bowers.

³ Clarence W. Nichols, Assistant Chief of the International Resources Division.

825.6352/4-2849 : Telegram

The Secretary of State to the Embassy in Chile

CONFIDENTIAL

WASHINGTON, May 5, 1949—7 p. m.

136. Amb Nieto on Apr 27 approached Asst Secy Thorp same lines Embtel 212 Apr 28. Memo of conversation forwarded.¹ Dept sympathetic but neither USGovt nor Anaconda Kennecott in position prevent copper price declining from recent high as have most other non-ferrous. Dept concerned Chilean false view that either company capable maintaining price any particular level or alone responsible for price movements. Stockpiling and ECA exerting some stabilizing in-

¹ Summaries of telegram 212 and the memorandum of conversation are contained, *supra*.

fluence. For your info New York official of one foregoing companies states his company advised ChilGovt not rely on 231½ cents.²

Suggest you stress hope as Thorp did that Govt will find other means adjustment situation including, if necessary, budget curtailment or finding other sources revenue, rather than increasing heavy tax burden copper companies. Latter would undermine recently created foreign investors confidence in Chile demonstrated partially by current large Anaconda expansion. Foregoing important Chilean long-run best interests, especially view Chilean Pres's desire cooperate Point Four.

ACHESON

² Ambassador Nieto had told Mr. Thorp that the Chilean foreign exchange budget for 1949 had been calculated on the assumption that the price for copper would be \$.235 per pound (825.6352/4-2749).

560.AL/6-949 : Telegram

The Acting Secretary of State to the Embassy in Chile

CONFIDENTIAL

WASHINGTON, June 10, 1949—8 p. m.

NIACT

183. Dept has given careful attention urtels 291 and 298.¹ Chile's financial difficulties fully appreciated and Dept has no intention disregard them.

Dept of opinion Chil measures under discussion violate GATT. Much more than technical violation involved, since Dept's view such measures and Chile's unwillingness to have CPs² consider them threaten viability GATT Charter program and basic principle adjustment differences by international consultation. Apparent to Dept if any CP by threat withdrawal is allowed avoid consideration differences by CPs as group and avoid fulfillment of commitment, GATT will become meaningless.

Like Chile, Dept would prefer resolve difficulties on bilat basis and during such discussions we would at all times consider most sympa-

¹ Neither printed. These telegrams conveyed Ambassador Bowers' strong recommendations that the Department heed the concern expressed by Chilean officials, especially Finance Minister Alessandri, over the apparent intent of the United States to refer to the contracting parties of the General Agreement on Tariffs and Trade (GATT), then meeting in Annecy, France, a U.S. complaint against Chilean increases in certain tariff surcharges which the United States considered violative of the GATT (560.AL/6-849, 6-949).

The text of the GATT is contained in TIAS 1700, or 61 Stat. (pts. 5-6). Documentation on U.S. participation is contained in volume I.

² Contracting parties.

thetically Chile's financial and other difficulties and would endeavor work out arrangements to meet them.

If such bilat discussions fail of mutually acceptable arrangement, we propose submission differences to CPs. Even in such case we would wish to have question submitted jointly, thus avoiding even appearance alignment US against Chile. Should, in such case, CPs confirm US view, we would be prepared support before other CPs a temporary modification of what we consider Chile's present obligations under GATT, in order assist Chile meet financial difficulties which could not be solved without such modification. GATT Article XXV makes possible waiver by CPs if facts justify. GATT provisions are sufficiently flexible so that adjustments can be made to meet Chile's current difficulties. Chil of course is free without violating GATT to increase its revenues by applying increased taxes on imported goods, including scheduled items, provided equivalent taxes are applied on like domestic products.

Dept feels strongly that the solution, whether reached by bilat discussions or by reference to CPs as group, must be consistent framework GATT which was basis US position Deptel 181³ from which we see no clear way deviate without violating GATT itself.

Pls discuss above with appropriate Chil officials and request that Chil Del Annecy be sent instructions which will permit full discussion with our Del with view to bilat solution if possible or, alternatively, a joint reference to CPs as group.

WEBB

³ Not printed.

825.00/6-1549 : Telegram

The Ambassador in Chile (Bowers) to the Secretary of State

CONFIDENTIAL
PRIORITY

SANTIAGO, June 15, 1949—2 p. m.

315. For Webb and Miller.¹ President Chile talked with me at length June 14 re critical and delicate economic, political and social situation created by fall copper prices. Chilean Ambassador Washington telephoned him June 14 reporting drop copper to .16 cents, combination

¹ At this time, Edward G. Miller had not entered upon his new duties as Assistant Secretary of State for American Republic Affairs; see the letter, dated July 8, from Ambassador Bowers to Mr. Miller, p. 599.

Republicans and Democrats pushing restoration excise tax² which would automatically put Chilean copper at .14 cents, suspension activities on Anaconda copper 130 million dollar investment, and Anaconda's instruction to Chilean subsidiaries to reduce production by 30 percent immediately (Embtel 312, June 14³).

President recalled his successful fight against communism and for political stability in Chile during the last two years made possible because means for success were within his control. He lauded comprehension shown by US in making emergency coal shipments at critical moment of that fight. President begs US demonstrate equal comprehension at this time when situation is in his opinion far more critical than then and furthermore because copper price drop takes control situation out of his hands, placing it in hands of world events or US.

President said interests Chilean and American businesses and investments in Chile are identical in this crisis, and urges US recognize this identity interests. President pleads for strongest action to prevent passage excise tax which, if passed, would close all copper mines in Chile causing political and economic collapse. He also asks expediting existing loan applications and promptest possible implementation so that thousands of workers disemployed in copper mines may find work in industry. He urged immediate consideration loans to Chile for government low cost housing projects and for irrigation projects and cabinet meeting June 15 will consider formulation projects to be presented Exim Bank or International Bank. Such loans would have salutary effects on disemployed miners by giving large scale employment nearly immediately and by psychological effects of actually seeing cooperative work program between US and Chile thus countering Communist line that US drops its Latin American friends when they are not needed because of special US interests.

Having personally observed President's successful fight against communism and for political and economic stability I thoroughly agree with President's sentiments, do not believe seriousness of situation in this bulwark democracy can be exaggerated, and personally urge energetic and prompt consideration to find all ways and means prevent loss of ground which has been gained in Chile for democratic ideals.

BOWERS

² The U.S. excise tax on copper, originally \$.04 per pound, had been reduced by GATT to \$.02 per pound. The tax had been suspended since 1947. It was not reimposed until July 1, 1950.

³ Not printed.

S25,312/6-1549: Telegram

*The Ambassador in Chile (Bowers) to the Secretary of State*CONFIDENTIAL
PRIORITY

SANTIAGO, June 15, 1949—11 p. m.

322. President Chile called me again today to a meeting with him, the Foreign Minister and Finance Minister and asked that US urgently act on following four matters to avoid a situation in Chile which he said he himself had not even realized yesterday to be as grave as it is. (See my telegram 312¹ and 315.)

1. That proposed excise tax on copper not be reimposed by Congress, but that if it should be that President veto it.

2. Chile begs that laws authorizing direct purchase and stockpiling of copper be made effective soonest.

3. Chile needs aid of US in securing an extraordinary loan from proper organizations in amount 40 million dollars for low cost housing and public works to replace losses in revenues and foreign exchange.

4. Chile asks that US not insist in its interpretation GATT, an interpretation which it believes due to lack of information.

These four points determined in prolonged meeting Cabinet with President. With spreading report pending bill increase import tax on Chilean copper indignation here is general and completely shared by every American businessman here. Such an accumulation within a few days of deadly blows to Chile economy will be interpreted as deliberately unfriendly acts. Drop in price is understood as something beyond our control but increasing of import tax on copper is open to such interpretation and will create worst possible reaction against US. Important Embassy be promptly informed of our attitude on above four points. Some reassurance as to increase import tax on copper would be most helpful.

Finance Minister Alessandri tells me that general alarm of public is such that he will be compelled issue a statement on proposed tax since extreme rightist element will now say it would have been better for government to have gone along with Perón's third front instead supporting economic policy of US.

BOWERS

¹ Not printed.

825.6352/6-2449

*Memorandum of Conversation, by Mr. Bainbridge C. Davis of the
Division of North and West Coast Affairs*¹

RESTRICTED

[WASHINGTON,] June 24, 1949.

Subject: Farewell Call by Chilean Minister of Economy and
Commerce²

Participants: Assistant Secretary Thorp.
Alberto Baltra, Chilean Minister of Economy and
Commerce.
Felix Nieto del Rio, Chilean Ambassador.
Roberto Vergara, Chilean Fomento Corporation.
Mario Illanes, Commercial Counselor of Chilean
Embassy.
Winthrop Brown, Director of ITP.
Harold R. Spiegel, OFD.
Karl Anderson, IR.
Leonard Weiss, CP.
John Cady, ED.
Bainbridge C. Davis, NWC.

As Mr. Thorp was delayed at the White House, Mr. Brown opened the meeting. He referred to the reports he had received of the various talks Sr. Baltra had had with officials of other Government agencies and stated that we wished to review with Sr. Baltra each of the points which he had raised so that we might be certain of the status of each. The points were then discussed as follows:

1. *Copper Tax*—Mr. Brown stated that if there should appear to be danger that one of the bills now before Congress which would reimpose the 2 cents per pound excise tax on imported copper might pass,³ the Department would make sure that Congress is thoroughly familiar with the Chilean situation and point of view on this matter. It was also pointed out that if the 2-cent tax were to be reimposed this would not be a violation of the General Agreement on Tariffs and Trade (contrary to the apparent belief of some Chilean senators) inasmuch as our obligation under GATT is limited to the maintenance of an excise tax not in excess of 2 cents per pound. Sr. Baltra stated he realized that the 2-cent tax would not be a violation of GATT.

¹ A copy of this memorandum of conversation was transmitted to the Embassy in Chile.

² On June 20, Mr. Baltra and Ambassador Nieto had met with President Truman and left with him an *aide-mémoire* (not printed) outlining Chilean concern over the economic problems confronted by Chile particularly with regard to the declining price of copper (825.50/6-2049).

³ No such legislation was enacted during 1949; see footnote 2 to telegram 315, June 15, p. 595.

2. *Stockpiling of Copper*—Mr. Brown stated that the principal aim of stockpiling was to promote US security and to purchase as economically as possible and that the law required preferred treatment for domestic suppliers. He pointed out that regardless of where the copper is purchased it takes that much copper off the market and affects the price. It is therefore of assistance to all suppliers. Sr. Baltra and Sr. Illanes asked about the contract which the Munitions Board had with Canada for purchasing copper and indicated that Canada seemed to be supplying an unfair proportion of our purchases. None of the Department officers was aware of this contract and Mr. Anderson was asked to check with the Munitions Board. He reported that there was such a contract which had been made in 1947 (valid for 5 years) after all other suppliers including Anaconda and Kennecott had been canvassed and none of them were able to meet the needs of the US Government. The contract with Canada was, therefore, considered of an emergency nature and no other contracts of this type are being made. It was explained that the amount involved was very small in relation to total purchases by the Munitions Board and less than purchases of domestic and Chilean copper presently being made from either Anaconda or Kennecott.

3. *Dispute Regarding Certain Provisions of GATT*—Mr. Brown referred to conversations which had taken place between Sr. Baltra and officers of the Department of State during the Minister's visit at which time Sr. Baltra had urged the transfer to Santiago of negotiations now going on at Annecy regarding the dispute between the two countries over the application of certain taxes and exchange surcharges on goods imported into Chile. Mr. Brown said that in view of the importance Chile attached to this request, we would agree. However, he went on to state the importance which we attached to an early resolution of this problem and to say that if it were not resolved bilaterally we would expect that Chile would join with us in presenting it to the Contracting Parties. Mr. Brown then handed to Amb. Nieto a note from the Department⁴ which he stated was our formal agreement to the foregoing request and he explained that we would send a qualified person to Santiago to discuss the problem with the Chilean Government just as soon as possible, although there would probably be some delay as a number of our qualified officers were now at Annecy.⁵

⁴ Not printed.

⁵ Despatch 628, September 9, from Santiago (not printed), summarizing U.S.-Chilean economic relations, indicated that the proposed bilateral talks in Santiago on this issue were still pending, and went on to say that it was extremely doubtful that the U.S. position would be accepted (711.25/9-949). No subsequent documentation has been found to indicate that the proposed bilateral talks were pursued by the United States.

4. *Loan*—Mr. Thorp remarked that Sr. Baltra had done a splendid job of “selling” the idea of a loan to Chile as it seemed very doubtful when he arrived that the Chilean Government could get the type of loan needed at this time. Mr. Thorp now understood that the Export Import Bank (while unable to commit itself until an application is received and approved by the Bank and other Government agencies) had expressed its willingness to give both prompt and very sympathetic consideration to a Chilean application for a balance-of-payments loan. Sr. Vergara then reported that he and Sr. Baltra had held a meeting with International Monetary Fund officials, particularly Mr. Southard (US Executive Director), but that they had not been encouraged to propose a further drawing from the fund at this time. It was suggested that such action be deferred at least pending the outcome of the Eximbank negotiations. (The second 25 per cent of Chile’s quota would be \$12.5 million.) It was stated that Vergara and Amb. Nieto would carry on detailed negotiations with the Eximbank.

Mr. Thorp then expressed great pleasure at Sr. Baltra’s visit to Washington and the hope that he would make another visit before long.

Sr. Baltra wanted to make a public statement upon his return to Santiago that he had worked out with us a solution to the problem confronting Chile. Mr. Thorp suggested that it would be most unfortunate if he should make a statement of this sort and it should then turn out that the problem had not been solved. Sr. Baltra thereupon suggested that he state that we had reached agreement on steps which might contribute to a solution of the problem, and Mr. Thorp agreed that this would be quite satisfactory.

711.25/7-849

The Ambassador in Chile (Bowers) to the Assistant Secretary of State for American Republic Affairs (Miller)

SANTIAGO, July 8, 1949.

DEAR MR. MILLER: A false news item here gave me the impression that you had entered upon your new duties quite a while before the confirmation, and I wrote you June 7th¹ on that assumption. . . .

When the copper crisis struck, I sent a number of telegrams strongly urging every possible assistance addressed to Webb and you—still on the assumption that you were in the saddle.² It appears that the Depart-

¹ Not printed.

² See footnote 1 to telegram 315, June 15, p. 594.

ment, the President, and the Banks are thoroughly cognizant of the gravity of the threat to Chilean economy because of the unexpected drop in copper and that the most sympathetic consideration is being given to ways and means of carrying this country through the crisis. The Communists, the old Nazi element, the pro-Peronists, and the feudalistic group, now on its way out, were delighted over the prospect of an economic collapse that would close mines, create serious unemployment, and bring suffering to thousands of people since all these elements feed on misery. If through the destruction of Chilean economy they can impose a totalitarian regime on the ruins of Chilean democracy, they would be happy.

I have tried to impress on the Department the notorious fact that the democratic institutions of this country which have functioned militantly in an atmosphere of freedom are a veritable bulwark against totalitarianism on the continent, and constantly provocation to the dictatorial ambitions of some neighboring countries. We cannot afford to let Chile down. . . .

I hope that we continue to give the most serious consideration to ways and means of preventing an economic collapse here which might easily constitute the gravest of threats to the democratic regime.

On the Fourth—or rather the 5th—Riesco, the Foreign Minister, an exceptionally able man, was the principal speaker at our celebration and his address was all that we could have wished. Both he and Baltra have just appeared before the Senate in secret session to express their complete satisfaction with our reaction to Chile's problem.

Sincerely,

CLAUDE G. BOWERS

825.00/9-249

Memorandum by Mr. Bainbridge C. Davis of the Division of North and West Coast Affairs to the Acting Assistant Chief of the Division (Krieg)

[Extract]

CONFIDENTIAL

[WASHINGTON,] September 2, 1949.

Subject: Summary of Events in Chile, August 22 to September 2.

A slight increase in bus fares on August 12 due to higher cost of operations touched off street disorders which reached a peak some days later with a least 5 dead and 300 injured. Student demonstrations received popular support at the start in reaction to increasing living costs but this support was quickly withdrawn when Communists attempted to create chaos in the hope of overthrowing the Govern-

ment. Order was restored by energetic but well-tempered action by the President, supported by emergency powers promptly granted him by Congress, and by the use of the Armed Forces.

Chile formally protested against false and defamatory statements appearing in the Argentine press reporting the overthrow of the Chilean Government. It has also expressed grave concern over the Bolivian revolution¹ and has felt that the United States has not been sufficiently ready to assist the Bolivian Government in what Chile considers a revolt inspired and aided by Argentina. The Chilean President feels that if Argentina succeeds in Bolivia, Chile will be next. He informed Ambassador Bowers on August 30 that the Bolivian situation and its implications for Chile had been sufficiently grave to overcome a cabinet crisis resulting from economic and political stress, (including a proposal by the Radical Party of an economic program "amounting to state socialism" due to its "disbelief in US intention to render any assistance").

¹ See the compilation on Bolivia, pp. 525 ff.

825.51/9-1349

*Memorandum of Conversation, by the Chief of the Division of North
and West Coast Affairs (Mills)*

[Extract]

RESTRICTED

[WASHINGTON,] September 13, 1949.

Participants: Sr. Felix Nieto del Rio, Chilean Ambassador
Mr. Miller, Asst. Secy. of State
Mr. Mills, NWC

The principal purpose of the Ambassador's visit was to discuss the status of the Chilean loan application. Mr. Miller stated that he had been working night and day to push the matter along. He had just received a report from Mr. Malenbaum,¹ in Mr. Thorp's section of the Department, to the effect that the NAC working group might complete its study today or tomorrow, that the report would then be mimeographed, which would take a little time, then circulated to the staff of the National Advisory Council, and that a staff committee of the NAC would be gotten together as soon as possible to consider and act on the report. He added that the NAC staff was so busy this week with the annual meetings of the International Monetary Fund and the International Bank that a staff committee could not be gotten together

¹ Wilfred Malenbaum, Chief of the Division of Investment and Economic Development.

before the beginning of next week, but he hoped that at that time such a staff committee would act without further delay.

The Ambassador said he had heard that the representatives of Commerce, the Federal Reserve and the Treasury on the working group are opposed to the loan. Mr. Miller replied that there is some opposition, it is true, and, in fact, a SEC observer on the NAC staff, whose house he is sharing, expressed opposition to the loan stating he is not convinced that Chile's dollar position is as bad as has been represented. Mr. Miller added that he had convinced his friend from the SEC that a loan to Chile is absolutely necessary. Mr. Mills stated he had been informed that there has been some feeling in the Treasury that the type of loan requested by Chile is more properly a stabilization type loan and therefore a matter for Treasury consideration and action rather than for action by the Eximbank; he added that according to his information the Treasury probably will agree, however, that the powers of the Eximbank are broad enough to make such a loan.

The Ambassador was not told anything regarding the probable amount of the loan which, if not changed, will be recommended by the working group, namely \$15 millions before the end of this year to be available quite readily and \$10 millions next year "if" the balance of payments situation of Chile then requires it. This compares with \$50 millions which is the figure which Roberto Vergara has tentatively suggested.²

[Here follows brief discussion of Chilean desire to make a purchase of airplanes³ and other material.]

² In telegram 325, October 7, to Santiago (not printed), the Department transmitted the text of a press release announcing, on October 8, the Eximbank's authorization of a \$25 million credit to Chile to assist in financing Chile's 1949 imports of U.S. equipment, materials, and services essential for the continuation of Chilean economic development; \$15 million was to be made available immediately, with additional advances of \$10 million to be made as and if needed (811.516 Export-Import Bank/10-749).

On October 28, the Eximbank also announced authorization of a \$2.75 million credit to the Chilean Corporación de Fomento de la Producción, an autonomous government-owned corporation designed to stimulate general economic development, for use in developing an iron ore deposit owned by a subsidiary of Bethlehem Steel Company (811.516 Export-Import Bank/10-2749).

³ On October 6, in telegram 507, from Santiago (not printed), Ambassador Bowers recommended that the Department of State approve the issuance of an export license for the purchase of the planes. On the following day, the Department, in telegram 330, to Santiago (not printed), replied that it would issue the necessary license if the purchase should be consummated, adding that it considered such a large, unproductive expenditure during a period of acute dollar shortage in Chile a move of doubtful wisdom (711.00111 Licenses/25).

COLOMBIA

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND COLOMBIA ¹

S21.24/2-1649

The Ambassador in Colombia (Beaulac) to the Secretary of State

CONFIDENTIAL
No. 110

Bogotá, February 16, 1949.

SIR: With reference to previous correspondence concerning Colombia's desire to receive arms from the Government of the United States in order to equip its expanded army, I have the honor to enclose a memorandum of conversation with the Foreign Minister, Dr. Eduardo Zuleta Angel, on the subject.

The Department will observe that while I agreed with the Foreign Minister that Colombia's army did not constitute a threat to Colombia's democracy, I said I considered that the Government's economic policy, which has resulted in increasing the already dangerously high living costs in Colombia, does constitute a threat to Colombia's democracy.

Respectfully yours,

WILLARD L. BEAULAC

[Enclosure]

*Memorandum of Conversation, by the Ambassador in Colombia
(Beaulac)*

CONFIDENTIAL

Bogotá, February 15, 1949.

Subject: Armaments to Latin American Republics

Participants: The Foreign Minister, Dr. Eduardo Zuleta Angel
The Ambassador

Dr. Zuleta told me of a report from the Colombian Ambassador in Washington ² of an alleged conversation among the Ambassador, Dr. Lleras Camargo, ³ certain other Latin American diplomats, and Mr. Paul Daniels, ⁴ during which Mr. Daniels asked for opinions concern-

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 438 ff.

² Gonzalo Restrepo-Jaramillo.

³ Alberto Lleras Camargo, Secretary-General of the OAS.

⁴ Director of the Office of American Republic Affairs.

ing the effect of arms transfers from the United States to the other American Republics. Mr. Daniels was interested in the effect of such transfers on 1) domestic peace and 2) international peace.

All Latin Americans present agreed that the arms transfers did not have a disturbing effect on domestic peace. Revolutions and coup d'etats took place before the United States ever sent arms to Latin America and would continue to take place. In certain Latin American countries the people would fight with tanks and cannon, or with pistols and machetes, or with sticks and stones.

With reference to the international aspect of the matter, Dr. Lleras Camargo made what Dr. Zuleta thought was a very important statement. He said that international peace among the American Republics depended almost entirely on whether or not the United States really intended to support the Rio Pact.⁵ If it did, then the question of arms transfers had no importance. If it did not, arms transfers might encourage aggression by one country against another.

Mr. Daniels is reported to have replied that the United States intended to support the Rio Pact 100%.

This conversation, plus the Colombian Ambassador's understanding that the United States was no longer giving military aid to China, led the Ambassador to suggest to Dr. Zuleta that the time might be ripe to again request that the Government of the United States furnish arms which Colombia needs to equip its expanded army.

Dr. Zuleta said that he was authorizing the Colombian Ambassador to raise the question of armaments once more with the Department of State. He spoke to me of Colombia's democratic tradition and said that there was no possibility that increased armaments would lead to political disturbances in Colombia. On the contrary the lack of proper armaments might encourage such disturbances.

I told Dr. Zuleta that I had some time ago presented the matter of armaments for Colombia to the Department with considerable urgency. I asked him whether any arms at all had been received. He said that none had been received. I said that I would communicate once more with the Department in the matter.

I told Dr. Zuleta that I did not foresee any danger that the Colombian army would become a menace to Colombia's democracy. What I was afraid of was that the Government's economic policy, which was resulting in still higher living costs, was helping to create another situation of social tension which might explode at any moment. I thought

⁵Text in Department of State Treaties and Other International Acts Series (TIAS) No. 1838, and 62 Stat. (pt. 2) 1681.

that from the point of view of internal peace, the Government was following a dangerous course.

Dr. Zuleta said that the only solution to that problem was increased production. I said that I had noticed that the 25% increase in the price of domestically manufactured cigarettes following the prohibition against the importation of American cigarettes had aroused general indignation even among people who were well off. The Minister said that he did not understand all the details of that matter but that he understood that the Government was trying to ensure that the tobacco producers would be paid more for their product (the price of leaf tobacco has been increased by 15%).

821.20/4-1949

Memorandum of Conversation, by the Secretary of State

RESTRICTED

[WASHINGTON,] April 19, 1949.

Participants: The Secretary
Sr. Eduardo Zuleta Angel, Colombian Foreign Minister
Gen. Germán Ocampo, Colombian Minister of Defense
Dr. Gonzalo Restrepo-Jaramillo, Colombian Ambassador
S. T. Mills, NWC¹

Dr. Zuleta Angel, the Colombian Foreign Minister for Foreign Affairs stated he wished to discuss two matters with me, arms for the Colombian army and loan applications by Colombia to the Eximbank and the International Bank.

With respect to arms the Foreign Minister stated Colombia wished to reequip its army which during the course of the past year had been expanded from eight thousand to twenty-five thousand. Such arms, he pointed out, were needed in order to maintain internal order and not for use against other countries. Dr. Zuleta referred to the disorders which occurred in Bogotá during April 1948. At that time, he stated, the police force disintegrated so that at present the expanded Colombian army must act both as a police force and army. Although it might seem paradoxical, Dr. Zuleta stated the army was important to continental defense as well as for the maintenance of internal order. The reason for this is that if the Communists gain a foothold in Colombia, this will menace other countries; in his opinion it is absolutely es-

¹ Sheldon T. Mills, Chief of the Division of North and West Coast Affairs.

essential that law and order be maintained in Colombia and the Communist Fifth Column menace neutralized. The expanded army exists today but it is not capable of fulfilling this task without proper arms and equipment. Dr. Zuleta referred to the fact that General Marshall, Mr. Armour, Mr. Harriman, Mr. Martin and Mr. Daniels were at Bogotá at the time of the riots last year.² He stated they would not have to be convinced of Colombia's needs. He added that General Ocampo had had a force of only eight thousand men and it had been a miracle that the communist menace had been repelled. Colombia cannot count on this miracle being repeated. For this reason the army must be properly equipped.

I explained to Dr. Zuleta that on two occasions President Truman had requested authority from Congress to contract for the purchase of arms for transfer to other countries, and twice Congress had failed to grant such authority. At the present time, I continued, this Government is preparing a further request for legislation in this sense. Considerable opposition to granting this new request exists not only in Congress but throughout the country. I stated that the smallest part of the opposition comes from church people, pacifists and radicals. Much more important opposition comes from those elements within Congress and throughout the country who are worried about the expense. Already our budget is about one billion dollars in the "red" and this fact is not lost on those that oppose the requested arms legislation.

I then stated we probably will not get nearly what we shall request from Congress and we shall have to give first priority to those areas where the pressure is the greatest, that is the Middle East (Turkey, Iran, Greece), Western Europe from the Scandinavian countries to France, and the Far East (Korea and possibly the Philippines). I added that after taking care of these most pressing needs then we certainly shall consider the needs of our other friends. Another part of the proposed legislation, I explained, would authorize the United States to contract for arms and transfer them to foreign countries at cost prices which of course will make them very expensive. I told the Foreign Minister I had seen General Marshall on several occasions after his return from Bogotá last year and there was no doubt in the Department of State regarding Colombia's needs.

² Secretary of State George C. Marshall, Assistant Secretary of State Norman Armour, Secretary of Commerce W. Averell Harriman, Chairman of the Board of Directors of the Export-Import Bank of Washington William McChesney Martin, and Mr. Daniels were all members of the U.S. delegation to the Ninth International Conference of American States, held in Bogotá, March 30-April 2, 1948.

I suggested that shortages varied and since the Colombian need, I assumed, was largely for police equipment, rather than for such items as planes (which are in very short supply) and heavy armament, it might be that such needs would be somewhat easier to fill. General Ocampo replied that Colombia wanted a little of everything including planes, heavy armament and launches as well as rifles.

Dr. Zuleta stated that there are two pressures, the Soviet armies in Europe and the Communist Fifth Column in the Americas and he found it difficult to decide which pressure is the greatest. A second point he wished to make is that Colombia's requests are infinitesimal, that as compared with the hundreds of thousands or millions of men the United States may be called upon to equip for Western Europe, Colombia only wished equipment for a mere twenty-five thousand men.

The second topic raised by Dr. Zuleta was the matter of applications for loans to the Eximbank and the International Bank. He stated that Colombia must meet the communist menace not only by equipping its army but by economic measures. He pointed out that following a conversation last year with General Marshall and Mr. Armour, he had formed a government consisting of six conservatives, six liberals and General Ocampo in charge of the army. That government had remained stable and he believed it would continue to guarantee stability. He stated that it had been particularly hard work to achieve harmony with conditions as they were in Colombia after the riots of April 1948, but that recovery had been remarkable. The only two elements still needed to complete recovery are equipment for the army and the loans solicited from the Eximbank and the International Bank.

I told the Foreign Minister I had been informed regarding the Colombian application to the Eximbank³ and I understood the Bank had agreed to consider such a loan provided Colombia took certain measures which had been recommended by the International Monetary Fund. I understood that Colombia had taken measures of this character and the Bank is now examining the whole situation. I assured the Minister that the Department was sympathetic to Colombia's needs and would continue to urge the Bank to give the Colombian application as sympathetic consideration as the situation makes possible.

DEAN ACHESON

³ For documentation on Colombia's application for a \$20 million credit from the Export-Import Bank, see the compilation on U.S. efforts to provide economic and financial assistance to Colombia in *Foreign Relations*, 1948, vol. ix, pp. 438 ff.

821.24/5-1049

*Memorandum of Conversation, by the Under Secretary of State
(Webb)*

CONFIDENTIAL

[WASHINGTON,] May 10, 1949.

Participants: Mr. James E. Webb, Under Secretary of State
Sr. Dr. Don Gonzalo Restrepo-Jaramillo, Ambassador
of Colombia
Sr. Dr. Jorge Mejia-Palacio, Counselor of Colombian
Embassy
General Francisco Tamayo, Military Attaché of
Colombian Embassy
Mr. Sheldon T. Mills, Chief, NWC
Mr. George C. Spencer, IA

Ambassador Restrepo-Jaramillo indicated that he sought my assistance in the solution of a very serious problem confronting the Colombian Government. He stated that Colombia is urgently in need of military equipment for use in adequately equipping its small army, pointing out that Colombia is one of the most democratic nations in the hemisphere and that the arms desired represent the minimum requirements of a small army, of about 20,000 men, devoted to the objective of maintaining order and preventing subversion by communist elements active in Colombia. The latter, he explained, are particularly active in the Colombian oil fields. He stated that if communism should obtain a foothold in Colombia the security of the Panama Canal would be endangered. It is in the interest of the United States, he explained, that Colombia procure arms essential to maintain order and avert communist threats to the democratic government now in power. The Ambassador stated quite frankly that Colombia lacks funds to procure arms.

I inquired whether Colombia had attempted to procure equipment from commercial sources in the United States. He replied that his Government had no funds for purchasing equipment from any source.

I indicated my desire to be of assistance to the Ambassador and explained that in expressing my views I wished to be perfectly frank, so that he would obtain a complete and accurate understanding of the position of this Government. I explained that the President is prepared to propose to the Congress a legislative program of military assistance for foreign nations, but that a solution of the Colombian problem would not be possible under this legislative program. I pointed out that it had been necessary to develop plans for foreign military assistance within the framework of a limited budget and that this limitation made it necessary that the most effective use be made of the limited assistance accorded foreign nations. I stated that the

countries in Western Europe, which are immediately exposed to the influence of communism, would require most of the assistance under the proposed program.

The Ambassador pointed out that subversive activities by communists in Colombia would endanger the security of the Panama Canal, which is of strategic importance to the United States. He also expressed the opinion that other American republics probably will find it impossible to purchase arms which they require. He stated that, in his opinion, the request of Colombia is typical of requests which will be made by other American republics in need of essential armaments.

I explained that the determination of the scope of military assistance to be accorded foreign nations under the proposed legislative program had been a joint undertaking of several agencies in the Government. I pointed out that the Bureau of the Budget, the President, and Congressional leaders who had been consulted, were of the opinion that the Congress would be unwilling to approve a program broader in scope than the one to be proposed. I informed the Ambassador that I wished him to receive accurate information regarding the situation, and accordingly, that I must inform him that I saw no solution to his problem under the proposed legislative program. However, I informed him that if any constructive suggestions should occur to me after a further consideration of the problem, these would be made available to him. I expressed the regret at not being more helpful and stated that Mr. Paul Daniels had indicated the seriousness of the Colombian problem in much the same terms as the Ambassador.¹ The Ambassador expressed his gratitude for the interview and expressed the hope that a solution to his problem would be found.

JAMES E. WEBB

¹ In a memorandum of May 6 (not printed), Mr. Daniels had warned Under Secretary Webb of the political violence which had again broken out in Colombia between members of the Liberal and Conservative parties in the face of impending congressional and municipal elections; he advised the Under Secretary that ARA refrained from recommending extension of credit to Colombia for arms purchases in view of the serious precedent that would thereby be established, but he did urge further study of the question of Colombia's request for arms to preserve internal order (821.24/5-649).

821.51/7-2549

The Ambassador in Colombia (Beaulac) to the Secretary of State

CONFIDENTIAL
No. 479

BOGOTÁ, July 25, 1949.

SIR: I have the honor to report that during a conversation that I had with President Mariano Ospina Perez on July 22, the President

expressed regret that Colombia had been unable so far to obtain any loans in the United States except for the Export-Import loan of ten million dollars,¹ five million dollars of which had been utilized.

The President referred with pride to the economic and financial record of his Government. He said that if it had not been for April 9 of last year, Colombia would have the best record of any Latin American country so far as keeping down inflation, balancing its budget, and limiting increases in currency circulation were concerned. He said that the amounts of money desired by Colombia were small and he could not understand why the Export-Import Bank, for example, was so hesitant to lend Colombia a few million dollars.

The President painted an especially rosy picture of living conditions in Colombia. He said that meat was cheaper in Colombia than in any other country on the continent. I agreed that meat was cheap but told him that everything else was expensive and that I still did not understand how ordinary people lived in Colombia. I said that I had just returned from the United States and was appalled at the prices Colombians had to pay for merchandise, especially in the light of the enormous difference in wages between Colombian and American workers.

The President indicated that he thought this was a passing phase in the development of Colombia's economy and that with increased production, which was already evident, prices would decline.

I reminded the President that Colombia's relative prosperity was due in large measure to the prices that Colombia was receiving for coffee in the United States, which continued at high levels. I said I thought there was every reason why Colombia's economy should be in excellent condition. Its credit, however, was being damaged by the complex controls that existed and particularly by the uncertainty concerning what controls might be instituted tomorrow. I said that the Government's failure to permit foreign capital to transfer dividends promptly and to re-export capital was discouraging the investment of new dollars in Colombia. I said that before I had left for the United States I had had the opportunity to see a draft of a law or regulation prepared by the Exchange Control officials which would improve conditions in this respect, but that I had been disappointed, upon returning to Bogotá, to learn that little progress had been made in placing the new regulation in effect.

The President said that the Government was still studying the matter, that it was now inclined to believe that it should submit the draft, when approved, to Congress, but that if the Congress failed to take action, the Government itself would issue a decree in the matter.

¹ The agreement between Colombia and the Export-Import Bank establishing this line of credit had been signed on August 12, 1948.

The President referred to Colombia's success in achieving a balance in her international payments through drastic restrictions on imports. I said that I had been informed that as of June 30 this balance had been achieved partly by withholding exchange in the amount of some forty million dollars to importers of merchandise who had been issued reimbursable import licenses by the Government. The President said that he was sure that the situation did not exist today. (Banking sources have informed the Embassy that, as of July 21, overdue commercial payments total forty-two million dollars. Of this amount fifteen million dollars have been approved but not yet released. In addition, American firms in Colombia have requested dollars in an undetermined amount for transfer of dividends, profits and royalties. Some of these requests have been pending for as long as two years.²)

With reference to the dollar shortage, to which the President had referred, I asked the President whether he thought the so-called "dollar shortage" would ever be overcome while the peso continued to be over-valued in terms of the dollar. The President said that he himself remained opposed to the devaluation of the peso but that other people had different ideas, and it was up to the Congress to make its own decision on that point.

Respectfully yours,

WILLARD L. BEAULAC

² In telegram 419, August 5, from Bogotá (not printed), Ambassador Beaulac reported that the commercial payments "in arrears" had been reduced as of August 2 to a figure of US\$21,270,494 (821.5151/8-549).

711.21/8-1849

*Memorandum by Mr. Albert H. Gerberich of the Division of North and West Coast Affairs to the Assistant Secretary of State for American Republic Affairs (Miller)*¹

[Extract]

CONFIDENTIAL

[WASHINGTON,] August 18, 1949.

FCN Treaty

The draft of a proposed treaty of Friendship, Commerce and Navigation was handed the Colombian Embassy on October 14, 1948.² It

¹ The memorandum was prepared to inform Mr. Miller on current problems in United States-Colombian relations in connection with the Assistant Secretary's impending visit to Bogotá, August 27-31. A report on Mr. Miller's visit is contained in despatch No. 676, October 31, from Bogotá, not printed (111.12 Miller, Edward G., Jr./10-3149).

² Not printed; for information on the draft, see the memorandum dated October 8, 1948, *Foreign Relations*, 1948, vol. ix, p. 462. No agreement was reached on a Friendship, Commerce, and Navigation Treaty between the two countries during 1949.

has been under study by the Colombian Foreign Office since then. It is our belief that Colombia has delayed entering into negotiations until the matter of a double taxation treaty is cleared up. Meanwhile, we continue to operate under the FCN treaty of 1846.³

Tax Treaty

We plan to open discussions with Colombia shortly for conclusion of a treaty to avoid double taxation.⁴ Mr. Eldon P. King, Special Deputy Commissioner of Internal Revenue, is at present compiling data, receiving suggestions and holding conferences with parties and organizations interested in tax relations problems with Colombia.

Petroleum

During the first six months of 1949, five oil companies announced their intention of withdrawing from Colombia due to unsatisfactory operating conditions.

The Colombian Government has taken cognizance of this situation, and the administration is expected to propose revision of the existing petroleum law to remove obstacles in the way of petroleum development; however, no comprehensive oil legislation is contemplated.

Law 165 of December 1948 proposed a Colombian national oil company to take over the expiring DeMares Concession of the Tropical Oil Company, in which both Colombian and foreign private capital would be asked to participate. To date, Shell and Texas Oil Companies have expressed themselves as not being interested in participating. Tropical Oil Company is willing to participate in future operations of the DeMares Concession only under certain conditions as to organization and administration, or will furnish technical assistance in operating the concession for a maximum period of three years, provided suitable arrangements can be agreed upon.

Missionaries

The problems of Protestant missionaries in Colombia have been twofold: 1. difficulty in obtaining permits to enter and reenter the country; 2. actual attacks on mission stations, sometimes with the encouragement or complicity of church and civil authorities. These problems have been, generally speaking, more acute since the Conservative administration came into power in 1946, but recent events seem to give hope of a turn for the better.

Despatch No. 440 of July 8 from Bogotá⁵ reports that Protestant missionaries can now enter Colombia, practice and preach their re-

³ Text in Department of State Treaty Series 54, and 9 Stat. 881.

⁴ No agreement was reached on a double taxation treaty during 1949.

⁵ Not printed.

ligion and engage in proselyting activities, provided they do so indoors and not in the open air. This is the first relaxation in this respect of the strict attitude of the Conservative Administration since 1946.

There have been no attacks on Protestant Missions in Colombia since April 6 at El Secreto and April 8 at Garagoa, when those Missions were invaded, looted and threatened by mobs.

Bonds

Colombia has arranged, with the approval of the U.S. Foreign Bondholders Protective Council, to resume service on approximately \$38,000,000 of municipal and departmental dollar debt in default since 1932. The new bonds will bear 3% interest and will be issued in the face amount of \$1200 for each \$1000 old bonds and accumulated interest.

The January 1 and July 1 payments on the bonds were deposited with the Schroeder Banking Corporation but have not as yet been paid over to the bondholders due to certain formalities required by our Securities and Exchange Commission.

Currie Mission

A nine-man mission composed of:

Lauchlin Currie	Head
Dr. Richard A. Musgrave	Chief economist
Jacques Torfs	Economist
Carl W. Flesher	Industry and electric power
Joseph L. White	Transportation
Haywood R. Faison	Rivers and Harbors
Raymond C. Smith	Agriculture
Roger V. Anderson	Finance and Foreign Exchange
Dr. Joseph W. Mountin	Health and Sanitation

was sent in July by the World Bank to attempt to assess the economic potentialities of Colombia, appraise the feasibility of various projects which may be recommended to improve the country's economy, and indicate the respective roles that foreign and domestic capital should play in carrying out the program.

Loans

I understand Mr. Bauer, ED, is briefing you on this subject.⁶

⁶ On the question of loans to Colombia, see telegram 627, November 15, from Bogotá, p. 620.

No progress was made during 1949 on settlement of the Colombian lend-lease debt; for a summary of developments on this subject, see footnote 5 to instruction No. 205, November 24, 1948, to Bogotá, in *Foreign Relations*, 1948, vol. ix, p. 475.

Shipping

I understand Mr. Russell is preparing a separate memorandum on this subject.⁷

GATT

Colombian and American teams are still holding tariff discussions at Annecy, with little likelihood that they will reach an agreement before the Conference closes. The last Colombian offer list showed little improvement in its offers or in the general Colombian position. In the event of failure to reach an agreement it is hoped to terminate the bilateral cleanly, by mutual consent, leaving both countries complete freedom of action for any further negotiations.⁸

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⁷ Not printed. For some time, the United States had been protesting the practice of the *Flota Mercante Grancolombiana* of accepting pesos in payment of freight on southbound cargo from the United States to Colombia, enabling the *Flota* to carry more than its fair share of such cargo. This practice was alleged by other shippers to be unfair and discriminatory. In October, an agreement was reached whereby the *Flota* was to start collecting freight in dollars and would move toward collection in dollars only as its contracts for collection in pesos expired. (821.85/8-1049, 8-2649, 10-2149, 11-1849)

⁸ See *infra*.

560.AL/8-3149

Memorandum by the Secretary of State to President Truman

SECRET

WASHINGTON, August 31, 1949.

Subject: Recommendation of the Interdepartmental Committee on Trade Agreements that the Reciprocal Trade Agreement between the United States and Colombia signed September 13, 1935¹ be terminated.

There is transmitted herewith a recommendation of the Interdepartmental Committee on Trade Agreements that the Reciprocal Trade Agreement described above be terminated by joint action of the two governments if possible and, if not, by unilateral action on the part of the United States.

I recommend that the committee's recommendation be approved.²

DEAN ACHESON

¹ Text in Department of State Executive Agreement Series No. 89, and 49 Stat. (pt. 2) 3875.

² The Department of State file copy bears the notation: "Approved Harry S. Truman".

[Enclosure]

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed termination of the Reciprocal Trade Agreement between the United States and Colombia signed September 13, 1935.

For some time past Colombia has maintained a system of taxes on purchases of foreign exchange which constitute import charges on a wide range of United States export products in violation of the terms of the agreement indicated above.

It had been hoped that Colombia would accede to the General Agreement on Tariffs and Trade³ following tariff negotiations at Annecy, France between Colombia and other contracting parties to the Agreement and that an acceptable solution of Colombia's recognized tariff adjustment problem would thereby be achieved. Colombia's accession to the General Agreement would have been accompanied by a bilateral agreement between the two countries terminating the trade agreement of 1935.

However, negotiations between the United States and Colombia at Annecy have broken down owing to the unsatisfactory character of the Colombian offers, and it is clear that Colombia will not accede to the General Agreement at this time.

Colombia intends to continue in force the system of exchange taxes which violate the old trade agreement, and there is little or no hope that continuation of the agreement in force will exert any moderating influence upon Colombia's tariff program. Furthermore, under prevailing conditions of trade it is believed that American exports would not suffer as a result of terminating the agreement.

As part of a joint statement to be issued to the press on September 3 at Annecy announcing failure to reach agreement, it is planned to indicate that the two delegations are recommending the termination of the old trade agreement through joint action.⁴ Considering it desirable to obtain your approval prior to any public announcement on the matter, the committee recommends termination of the trade agreement by mutual consent of the two governments if possible and, if not, by unilateral action on the part of the United States. Your approval of the proposed course of action is requested, and it would

³ The text of the General Agreement on Tariffs and Trade (GATT) is contained in TIAS 1700, or 61 Stat. (pts. 5-6). Documentation on U.S. participation is contained in volume 1.

⁴ The text of the statement is printed in Department of State *Bulletin*, September 19, 1949, p. 439.

be appreciated if the committee could be informed of your decision by September 2.⁵

CARL D. CORSE
Alternate Chairman
Interdepartmental Committee on
Trade Agreements

⁵ The text of the United States-Colombia Agreement of October 12, 1949 terminating the Agreement of September 13, 1935 is printed as Department of State Treaties and Other International Acts Series (TIAS) No. 2207 in *United States Treaties and Other International Agreements* (UST), vol. 2, p. 569.

821.00/11-249 : Telegram

The Ambassador in Colombia (Beaulac) to the Secretary of State

CONFIDENTIAL

BOGOTÁ, November 2, 1949—noon.

589. For background of political situation Colombia, see Embassy's despatch 579 of September 16.¹ Basic situation explained more fully and clearly in that despatch than possible in telegram. Press continues report violence in various parts of country. Experience indicates most stories exaggerated and dishonestly presented. Nevertheless, there is evidence violence exists and engaged in by both sides, although larger number of victims are Liberals. Clearest case police persecution Liberals is attack on Liberal meeting at Cali October 22 resulting in 24 deaths (Embtel 563 October 24, Embdes 673 October 31 ²). Liberals engaged in cold war (and in some cases not so cold) against Conservative government and Conservative party. Both Liberal and Conservative parties have used all facilities available to them to gain electoral advantage in naked struggle for power. Conservatives have advantage because of their identification with government which has proved stronger than Liberal control of congress.

Liberals allege Conservative government has combined with Conservative party to oppose Liberals and there is evidence to support allegation. One doubtful factor is extent to which extremists in Liberal party may have been able to dictate or influence strategy and tactics which have contributed to bring about present situation. Conservatives have made much of this alleged influence, but they probably exaggerate as do both sides in all their allegations.

Whether elections will be held this month is anyone's guess. Present prospects, which may be changed overnight, are that they will be held with Liberals abstaining as conservatives abstained during López ad-

¹ Not printed.

² Neither printed.

ministration.³ However, Liberals in congress have moved to postpone elections although doubtful there remains enough time before November 27 to complete necessary legislation to effect this result.

President and some other Conservatives, including Gómez,⁴ inclined to think country will adjust itself to Conservative victory even though Liberals abstain. Whether or not this will occur Embassy cannot say. The situation in event of elections without Liberal participation would be explosive, but it does not necessarily follow that it will explode. Threatened Liberals strike would of course present a national problem to government. Embassy has naturally given thought to possibility that some outside influence might be exerted to bring about solution to existing difficulties. In that relation following is pertinent: the government so far has refrained from using its power to declare state of siege. Freedom of expression continues to exist to a degree not equalled in most Latin American countries. As of today, there is nothing to prevent communication between parties except possibly desire of parties not to communicate with each other. Despite Lleras statement (Embtel 583 October 29⁵) that relations between parties broken, contact between parties continues. Nor has there been any lack of important and influential intermediaries between parties.

As Department will have perceived, my conversation with President of October 28 (Embtel 583 October 29⁵) had as its principal purpose to impress President with seriousness with which Embassy views situation. I told President our government concerned over situation Colombia because it considered Colombia's democracy precious possession of the continent and feared it was imperiled.

My own opinion is President has been excessively passive in his attitude toward the situation and has not used, publicly and to the fullest extent, prestige of his office to bring about peace. He is, of course, hurt and angered by personal attacks on him by Liberals and apparently feels sincerely that in espousing national union government from which Liberals chose to withdraw, he was giving highest service to cause of peace.

In my conversation with him October 28, he gave me no reason to believe he would welcome outside suggestions at this time. The Liberals, because they feel at a disadvantage at this stage, might welcome an expression of outside interest, but it is doubtful that Conservatives, who feel that they have an advantage, would or that govt would. Under the circumstances, I doubt that pious expression by the

³ Alfonso López Pumarejo was President of Colombia, 1934-1938 and 1942-1945.

⁴ Laureano Gómez, Conservative party candidate for President in the election to be held on November 27.

⁵ Not printed.

Department, or by other agencies, would be helpful, although we shall continue to give thought to possibility that some outside influence might be useful. If Department has any ideas on the subject, I should appreciate having the benefit of them.

In this connection, Lleras Camargo's statement (Embtel 588 November 1⁶) was characterized by conservative *El Siglo* as intervention by international official. Today's liberal press states Liberal party intends to send Lleras Camargo's statement to governments of other American republics.

Sent Department 589, repeated Lima.

BEAULAC

⁶ The text of this telegram read as follows :

"Press give prominence today to statement to UP of Aberto Lleras Camargo, appealing to all patriotic Colombians to unite to save country. He discounts Communist influence with Liberal Party and contrasts sterling virtues of [Liberal Party presidential candidates Darío] Echandía with Gómez anti-Communist obsession, thus probably eliminating himself as possible arbiter in situation or as possible choice of both parties for temporary president, as some peace advocates proposed in the past." (821.00/11-149)

On November 7, the Colombian representative on the Council of the OAS wrote to Mr. Lleras protesting his statement on the Colombian situation; the texts of that message and Mr. Lleras' reply of the same date are printed in *Annals of the Organization of American States*, 1949, p. 364.

821.00/11-249 : Telegram

The Secretary of State to the Embassy in Colombia

CONFIDENTIAL

WASHINGTON, November 2, 1949—1 p. m.

347. At request Asst Secy Miller Dept has and is continuing consider suggestion tactful multilateral public appeal to Colom polit leaders to put aside partisanship and stop bloodshed. He suggested joint statement by Presidents or other leaders NR OARS including Braz, Mex, Chile, Arg, Cuba, Bol, Urug and Ecuador remarking upon Coloms democratic tradition and expressing confidence solution can be found present difficulties. Also suggested possibility Pres Ecuador¹ might take lead. No fixed idea whether US shld join in such statement if made. He suggests negative attitude our part may subject us to criticism by US public.

Dept advised Asst Secy, now in Lima, yesterday we feel multilateral approach probably premature but matter receiving continuous evaluation. In two hour conversation with Zuleta² latter expressed view negots likely be resumed. He firmly convinced Army will not be

¹ Galo Plaza Lasso.

² Eduardo Zuleta Angel, former Colombian Foreign Minister, had become Colombian Ambassador in the United States.

subverted and will maintain order in cities as long as Pres remains constitutional.

Advise Dept urgently repeating Lima for Miller ur opinion usefulness proposed multilateral statement particularly whether needed this stage and whether it wld have beneficial results.

Rptd Lima for Miller.

ACHESON

821.00/11-349 : Telegram

The Ambassador in Colombia (Beaulac) to the Secretary of State

CONFIDENTIAL
PRIORITY

BOGOTÁ, November 3, 1949—11 a. m.

595. Re Deptel 347 November 2. Embassy doubts utility of suggested multilateral approach for reasons set forth in Embtel 589, November 2, and having in mind government's hostile reaction to Lleras Camargo's statement as well as decision of government and Conservative Party to go to elections on November 27, date fixed by Liberal-controlled Congress. (Embtel 594, November 3¹)

Since Gómez took stand in speech last night that Conservatives would not make a new agreement with Liberals, any expression of confidence from outside that "solution can be found present difficulties" in Colombia would probably be interpreted by Conservatives and by government as meaning intervention in behalf of Liberals to force Conservatives to adopt attitude now taken by Liberals who at this stage want agreement. Important Liberals now acknowledge privately their strategy completely mistaken and Department should be careful not let itself be placed in position of pulling Liberal coals out of fire.

Gómez of course considers solution lies in holding elections on date fixed by Congress, that is, November 27. Government now appears to share this view.

Question of selecting countries to make appeal also presents complications. For example both Argentina and Cuba widely considered here to be interventionist countries and Arango Velez charged them in his speech with intervening in Colombia.² Our abstention from joint approach also might be subject to misinterpretation, particularly if it became known, as it would, that we had sponsored the approach.

While Embassy cannot therefore recommend suggested multilateral approach it will continue to have in mind possible utility some outside

¹ Not printed.

² Reference is to a statement made in the Colombian Senate by the Foreign Minister Eliseo Arango Velez.

appeal and will give Department any suggestions that might occur to it.

Sent Department 595, repeated Lima.³

BEAULAC

³ The text of telegram 652, November 4, from Lima, contained the following message from Assistant Secretary Miller then visiting Peru: "Thoroughly agree recent developments make any thought multilateral approach out of question." (821.00/11-449)

821.51/11-1549 : Telegram

The Ambassador in Colombia (Beaulac) to the Secretary of State

CONFIDENTIAL

BOGOTÁ, November 15, 1949—6 p. m.

627. Deptel 365 November 10.¹ Embassy's suggestion re future loans to Colombia by Exim Bank and International Bank is that persons in our government having duty and authority to pass on loan applications give careful thought to contents Embdes 644 October 19¹ and especially to Currie mission report² which presumably will go into all pertinent phases Colombia's economy and that after they have done this a decision should be made as to whether, before granting further loans to Colombia, serious conversation should not be held with Colombian authorities re Colombian Government's attitudes and plans in the fields of economics and finance. If those attitudes and plans indicate Colombian Government intends to continue to seek a constantly increasing degree of autarchy and State control of private activity and to give little or no real encouragement to investment of foreign private capital in Colombia, then I suggest Colombian Government be informed politely but clearly that future loans will be related to the degree to which Colombia is willing to liberalize its trade practices and make a greater effort to attract private investment.

Embdes 644 of course raises an important question of principle, which is not limited in its application to Colombia, and that is whether the loans we make or finance will have as a result the encouragement of liberal trade practices (which in turn are directly related to the progress of democracy in the Embassy's opinion), or whether they will have the opposite result. It also is based on following premise:

(1) That prudent government bankers like prudent private bankers in scrutinizing loan applications have not only the right but the obligation to inquire into the details of the applicant's business; (2) that Colombia like other subscribers to the International Bank is committed in various instruments to pursue liberal trade policies;

¹ Not printed.

² See the memorandum by Mr. Gerberich to Mr. Miller, August 18, p. 611.

(3) the pursuit of liberal trade policies is in the interest of Colombia's credit; and (4) Exim and World Bank credits are not intended to substitute for private investment.

With reference to agricultural loan granted recently by World Bank³ and, having in mind general principle referred to above and not economic justification of loan, Embassy considers that withholding of loans for considerable period was directly responsible for (1) Balancing of budget by Colombian Government; (2) Elimination unfavorable exchange balance; and (3) Equitable agreement for reimbursing Electric Bond and Share for value of power plant expropriated by Cali municipal government. Granting of small loan for agricultural machinery in these circumstances probably had, in balance, a good effect but we believe granting of extensive loans without considerable improvement by Colombian Government in direction of liberal trade practices would have effect of confirming present trend toward economic and political authoritarianism.

In any event, Embassy assumes no loans will be made to Colombia until domestic political situation improves.⁴

BEAULAC

³ On August 18, the Colombian Government had announced approval by the IBRD of a \$5 million loan to Colombia for purchase of agricultural machinery.

⁴ No loans were extended to Colombia during the remainder of 1949.

S21.00/11-1849: Circular airgram

*The Secretary of State to the Diplomatic Mission in the
American Republics*

CONFIDENTIAL

WASHINGTON, November 18, 1949—3:05 p. m.

On November 7, the Bolivian Foreign Office circularized its diplomatic missions in the other American Republics instructing its Chiefs of Missions to visit the respective Foreign Ministers in person and "suggest advisability diplomatic representatives accredited Bogotá transmit on same day to Government and people Colombia fraternal and cordial expressions of sister nations America and intense desire that Colombia as throughout its history continue giving examples high political culture which repeatedly honored America. You are authorized to make known this text in confidence. Request urgent reply." The Bolivian Ambassador in Washington¹ called at the Department to discuss this move and was informed that Embassy Bogotá had already indicated its belief that pious declarations would be of little or no utility in solving the Colombian difficulties and would in all prob-

¹ Ricardo Martinez Vargas.

ability be interpreted by the Conservative Party and the Colombian Government as intervention in favor of the Liberal Party. Nevertheless, Embassy Bogotá was immediately requested to comment on the Bolivian move. It replied on November 14, reiterating its view that the approach would do no good and might do harm and recommended against US participation in the Bolivian proposal. The Department concurs.

For your information, replies received by the Bolivian Government from its missions in nine of the American Republics, not including the United States, indicate a lukewarm reception of the Bolivian proposal. Two countries, namely Argentina and Ecuador, will go along provided there is unanimity of action. Three countries, Mexico, Peru and Uruguay, feel that the proposed action would amount to intervention in the internal affairs of Colombia and are thus opposed. Chile and Paraguay promise to give the suggestion further consideration, feeling that it has merit but might be difficult of execution. Panama agreed to support the proposal and so informed its representative in Bogotá. Brazil feels that any representations in Bogotá would be very delicate and difficult and suggested that the matter be brought before the OAS to sound out the views of its component members.

In possible discussions of the Colombian situation with local officials, you may make appropriate use of the above information, noting that the Department is opposed to any concerted action at this time, feeling that it would do more harm than good. You should add that closest attention continues to be given the Colombian situation, including a daily reappraisal of the effectiveness, or reverse, of all suggested measures which might be taken by this Government or multilaterally.²

ACHESON

² The situation in Colombia had become so violent that on November 7 the Liberal presidential candidate Darío Echandía withdrew from the race and declared that his party would not participate in the November 27 election. On November 9, President Ospina declared a state of siege in the country. The army restored order and the election was held on schedule with the unopposed Conservative candidate Laureano Gómez winning.

No statement was issued by the United States Government, either alone or as part of a multilateral grouping, on the situation in Colombia.

CUBA

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND CUBA¹

711.379/2-2349

The Secretary of State to the Ambassador in Cuba (Butler)

SECRET

WASHINGTON, February 23, 1949.

No. 43

SIR: Sr. Carlos Hevia, Cuban Minister of State, during his recent visit in Washington expressed the desire of his Government for a comprehensive program for the development of Cuba involving economic and technical assistance from the United States and measures to be taken by Cuba to encourage private foreign investment. He expressed the opinion that his Government would be able to ratify a treaty satisfactory to the United States if this were part of an over-all program. He recognized the problems with which United States business has had to contend in Cuba but believes that the trend of public opinion and labor there has passed its peak of extremes and that conditions now permit more favorable treatment of foreign business.

A draft of a new treaty entitled Convention of Establishment and Economic Development² was handed informally to the Minister on January 18, 1949. Copies of this have been sent to the Embassy. The Convention is shorter and simpler than the draft treaty presented to Cuba in January 1947,³ and contains strengthened provisions on investment. The new draft does not necessarily represent final United States views and this Government reserves the right to make changes.

In regard to an over-all program, this Government is desirous of cooperating with Cuba in economic development and is prepared to discuss the matter with Cuban officials. As indicated by the President in his inaugural address on January 20,⁴ this Government places special emphasis upon the advantages to be gained from technical assistance, and is prepared to make this type of aid available to Cuba within the limits of available personnel. The United States is concerned that its technical assistance be as effective as possible and therefore urges

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 543 ff.

² Not printed.

³ Not printed; for information on the draft treaty, see *Foreign Relations*, 1947, vol. viii, p. 608 and footnote 16.

⁴ Text in Department of State *Bulletin*, January 30, 1949, p. 123. Documentation on the Point Four program is contained in volume i.

that countries requesting technical assistance undertake the domestic measures necessary to use such assistance effectively and other measures necessary for their economic development. These measures include fiscal and administrative measures designed to stabilize economic and financial conditions, measures to attract foreign private capital and to encourage local capital accumulation and investment.

The Department envisages the essential parts of a Cuban program as consisting of, (1) technical assistance from the United States to Cuba, the precise nature of which would be determined after discussion of Cuba's specific needs and in harmony with whatever arrangements may be adopted to implement the President's proposal. (Such assistance might include attention to over-all development problems, including the implementation of studies already made, the supplying of technical experts covering various fields such as fiscal matters, government administration, education, health, agriculture, industrial techniques and airport development; in the case of industrial techniques and engineering surveys the services of private firms would probably be required); (2) measures to be taken by Cuba to assure effective utilization of technical assistance and otherwise to facilitate economic development; these would include among other things encouragement to private investment and ratification of a treaty along the lines of that handed the Minister; (3) consideration by the United States of economically justifiable credits by the Export-Import Bank, or United States support for such credits by the International Bank. Cuba should not be led to believe, however, that this Government is committed to the extension of credits since no commitment is being made. Applications for Export-Import Bank credits, which in any case should be for specific projects rather than for a global sum, will be reviewed carefully at the appropriate time, as will possible United States support for International Bank credits.

The Embassy will note that it might be possible to misinterpret the program outlined above as an arrangement under which the Cuban Government undertakes, in return for a valuable *quid pro quo*, to aid United States investors and ratify a treaty which this Government considers Cuba should freely ratify in its own interest. The Department considers it desirable that such a possible misinterpretation be avoided, particularly from the point of view of appearing to establish a precedent for over-all bilateral economic arrangements which this Government might enter into with other countries. The program should be considered as consisting of several parts, all of which are clearly in Cuba's interest. The Department recognizes that the Minister of State

will doubtless find it desirable or essential to emphasize the benefits which Cuba may expect to receive but would regard it especially unfortunate if the program were to become distorted and thought of in terms of favors bestowed by the United States in return for encouragement to United States private investment, and if these favors were regarded as including possible credits from this Government, to be shortly forthcoming. Emphasis in discussions with Cuban officials and in the presentation by Cuba to the public should be placed on the benefits from technical assistance, which in the light of the President's speech the United States is prepared to make available to many countries, and the benefits to Cuban development from private investment. Unless technical assistance is accompanied by investment it cannot yield its greatest benefits. Similarly investment without technical assistance is less effective than if the two are integrated. United States programming of kinds and amounts of technical assistance would take into account actual investment projects.

The Department understands that the Minister of State desires to make rapid progress in the formulation and implementation of plans as outlined above. The Department shares this desire for rapid progress and is prepared to discuss the matter, including a preliminary review of the draft convention, at the Minister's convenience either in Habana or Washington.

A supplementary instruction on commercial policy aspects of the matters proposed for discussion will be sent the Embassy shortly for its guidance.⁵

Very truly yours,

For the Secretary of State:
PAUL H. NITZE⁶

⁵ Not printed.

⁶ Deputy to the Assistant Secretary of State for Economic Affairs (Thorp).

437.11/3-1849

The Ambassador in Cuba (Butler) to the Secretary of State

RESTRICTED

HABANA, March 18, 1949.

SIR: I have the honor to report that the Cuban Government has liquidated certain long-outstanding obligations to the National City Bank of New York and to the Western Union Telegraph Company, and it is expected that before the end of the current month further payments will be made to the Hershey Corporation, the All America Cables & Radio Company and others.

The payments which have now been made appear as the outcome of my recent conversation with President Prío,¹ in which I again stressed the importance of liquidating sums owed to United States nationals which have long been pending. The President assured me of the desire of his Government to meet these obligations but explained that the present fiscal situation of the Treasury would not permit immediate settlement of the very large sums involved. He agreed, however, with my argument that the Cuban Government should demonstrate its disposition to liquidate these claims by initiating payment on such of them as the Treasury could handle immediately. The President appeared impressed with the argument that such action would have a favorable effect in business and financial circles and he informed me that instructions would immediately be given to the Minister of the Treasury to pay off certain claims adjudicated by the Cuban courts in such amounts as were immediately available.

In consequence thereof, on March 9 a check in the amount of \$13,331.04 was delivered by the Treasury to the local manager of the National City Bank of New York, and a check in the amount of \$11,825.20 was likewise delivered to the manager of the Western Union Telegraph Company. These payments cover various claims for excess taxes which have been supported by decisions of the Cuban courts and which date back to 1928. Other payments to the Hershey Corporation and to various American-owned cable companies which fall in the same general category are now being processed in the Treasury and the Embassy is informed that checks are expected to be issued shortly.²

I am enclosing copy of a statement³ released by the Embassy on the subject of these payments which was given prominent and favorable coverage in the local press. While the amounts thus far paid are admittedly small in relation to the total involved, I feel that this action on the part of the Cuban Government is an encouraging sign of its good intentions to clear up a problem which has been pending for so many years between our two Governments. I will, of course, continue my efforts to induce the Cuban Government to take action on the remaining claims.

Respectfully yours,

ROBERT BUTLER

¹ Carlos Prío Socarrás, President of Cuba.

² Despatch No. 502, June 27, from Habana (not printed), indicated that the total amount of the two mentioned checks comprised all that the Cuban Government had paid to settle claims within the previous twelve months (711.37/6-2749).

³ Not printed.

837.61351/4-849 : Telegram

The Secretary of State to the Embassy in Cuba

CONFIDENTIAL

WASHINGTON, April 8, 1949—7 p. m.

159. Cuban sugar del¹ inf Agric today that because of political considerations involved and Cuban Govts impression CCC would buy 1,200,000 tons, Gans² will take up sugar procurement problem through official channels. They are fearful of repercussions among labor, particularly communist elements.

Cuban del said their Govt would not consider any sale for less than four cents nor any price clause which would protect CCC in event world price drops below that level. They explained price lower than four cents would require wage reduction which from political viewpoint would be impossible. Although discussions specific price had heretofore been avoided, Myers³ in previous meeting had expressed view world price Cuban sugar was fictitious and did not reflect real price.

Dept would appreciate any comments Emb may have as to how Cuban Govt received erroneous impression CCC might purchase 1,200,000 tons.

ACHESON

¹ In telegram 150, April 4, to Habana (not printed), the Department had transmitted the text of a press release issued by the Department of Agriculture and the Cuban Sugar Stabilization Institution announcing the opening of talks with respect to possible purchase by the Commodity Credit Corporation (CCC) of sugar to meet the requirements for civilian feeding in occupied areas and in certain of the nations participating in the ERP. The press release indicated that the current interest of the CCC was in the purchase of approximately 400,000 tons of sugar. (837.6135/14-449)

² Oscar Gans, Appointed-Ambassador of Cuba in the United States, presented his credentials to President Truman on April 20, 1949.

³ Lawrence Myers, Director of the Sugar Branch in the Department of Agriculture, was the principal representative of the CCC in the sugar talks.

837.61351 : Airgram

The Ambassador in Cuba (Butler) to the Secretary of State

CONFIDENTIAL

HABANA, April 14, 1949.

A-501. Reference Department's telegram 159, April 8, Embassy's A-493, April 13, and telegram 113 of April 14, 1949.¹

¹ Airgram 493 and telegram 113 are not printed.

Cubans' alleged impression United States would buy 1.2 million tons of sugar believed based on (1) wishful thinking; (2) premeditated campaign (influenced by speculators and politicians) to force United States into "bailing out" Cubans and (3) President Prío's inexperience in having interpreted *general* expressions of United States' good will and desire to help Cuba economically (which he and Hevia received from officials in Washington and Habana) precisely to mean CCC sugar purchase about same size as that of last year.

Mañas² confidentially told Embassy April 13 alleged impression that: (1) United States would buy 1.2 million originated entirely in high Cuban political circles; (2) Sugar Commission gave Myers impression of large purchase only upon express orders of Gans; (3) Prío had always been optimistic over certainty large purchase; but that (4) he (Mañas) had never heard Prío or anyone else name any United States official as source of impression, or any purportedly authoritative purchase figure prior to recent visit to Washington.

First public local utterance on big United States commitment apparently made by Casanova³ to local papers February 8 (Embassy despatch 97)⁴ saying, "we must wage the battle to have the United States Government very soon assure us that it will purchase the extra million tons which it has promised to do. . . .⁵ To limit the said purchase to 500,000 tons would be absolutely inadmissable. . . . But besides being in the right, we must know how to ask for our rights. . . ." Queried on this alleged commitment in mid-February, Mañas confidentially said "it was made up out of whole cloth". This allegation of Casanova that United States promised to buy one million tons is doubly interesting considering his recent castigation of speculator Francisco Blanco for conducting newspaper campaign of false rumors (Embassy's A-493).

Second known public utterance as to large purchase appeared in *Información* March 31 (Embassy's A-421⁴) in which following interview with Minister of Agriculture Perez and Santiesteban,⁶ reporter stated: ". . . it had been learned that negotiations will begin in Washington . . . for sale . . . 1.2 million tons. . . ." *Información* reportedly is on speculators' payroll. Aside from inferences, source of this alleged information cannot be verified.

² Arturo M. Mañas, Secretary of the Cuban Sugar Mill Owners Association, was a member of the delegation of the Cuban Sugar Stabilization Institute in the recent bilateral sugar talks.

³ Senator José M. Casanova had also been a member of the delegation of the Cuban Sugar Stabilization Institute in the recent sugar talks.

⁴ Not printed.

⁵ The indicators signifying omissions appear in the source text.

⁶ Teodoro Santiesteban had been a member of the delegation of the Cuban Sugar Stabilization Institute in the recent sugar talks.

Fact that Cubans have alleged they received this impression recalls article Casanova published on January 3 (Embassy despatch 7, January 5⁷), in which he referred to friend of his who "... so often told a lie that he was led to believe that what he was saying was the truth".

As for Cubans' allegation that "they are fearful of repercussions among labor, particularly Communist elements", it is true that: (1) wages for present harvesting season are frozen legally at peak 1947 level *unless and until* actual average price of 1949-crop sugar falls below final average price for 1948 crop (Embassy despatch 256, December 16, 1948⁷); (2) a substantial sale to United States at less than 4 cents under present world market conditions would probably weaken prices and hasten decline of average 1949 price to level below that of 1948; (3) in this event, wage-freezing decree could be interpreted to call for wage reduction during grinding season; and (4) such a reduction might provide political ammunition for anti-Administration forces, Communist or otherwise.

It is also true, however, that: (1) this particular wage-freezing decree is so loosely worded as to give Government good "legal" excuse for any failure to go through with harvesting season wage reduction, with or without a United States purchase; (2) decree calls for tying back of wages to price of sugar after June 30, anyway, and (3) Cuban Government sooner or later must face necessity of demonstrating more realistic leadership regarding reasonable reductions in wages (especially since it is publicly taking credit for alleged 25 percent reduction in cost of living of Cuban labor) and must also facilitate reduction in production costs, in order to permit Cuban products to compete in domestic and export markets. As matter of fact, membership certain non-sugar labor unions has indicated willingness to negotiate wage compromises with employers, which labor leaders and Government have obstructed.

Embassy is inclined to feel that while Communists would not fail to make political capital out of wage reduction, importance of threat from that quarter is likely to be unduly magnified.

BUTLER

⁷ Not printed.

837.61351/5-1249: Telegram

The Secretary of State to the Embassy in Cuba

RESTRICTED NIACT

WASHINGTON, May 12, 1949—6 p. m.

197. Tentative agreement reached today with reps Cuban Sugar Inst for simultaneous purchase 400,000 long tons sugar by CCC and

350,000 long tons by Brit. Agreement which will also govern terms Brit purchase provides:

1. 250,000 long tons, including 5 CC parcels already shipped, at four cents per pound for shipment prior July 1.
2. Balance to be shipped rate 100,000 long tons per month subsequent July 1 will be priced according average world spot price Cuban sugar New York market prevailing during month of shipment.
3. Cuban Govt will release 250,000 long tons for free world market.

CCC officials, Sir William Rook rep Brit Food Ministry, and Cuban negotiators pleased over agreement. Cuban reps endeavoring clear agreement with Prío by phone today and if he approves, press release will probably be issued here tomorrow.¹

ACHESON

¹ Airgram 646, May 13, from Habana (not printed), transmitted the texts of comments made by President Prío and Agriculture Minister Perez on the conclusion of the sugar agreement (837.61351/5-1349).

837.61351/5-1649

Memorandum of Conversation, by the Secretary of State

RESTRICTED

[WASHINGTON,] May 16, 1949.

Participants: The Secretary
 Señor Carlos Hevia—Cuban Foreign Minister
 Ambassador Oscar Gans—Cuba
 Mr. Walker—CRB ¹

The Cuban Foreign Minister, during the course of a courtesy call, took occasion to bring to my attention a number of problems which are of concern to the Cuban Government. He said that Cuba is going through a period of postwar readjustment which involves a reduction in sugar production, a factor of great economic importance to Cuba. Sugar production this year, he said, will be approximately 18 per cent less than last year, and a further reduction of 20 per cent is expected next year. He went on to say that this retrenchment in Cuba's economy is a political shock, and that his Government, in an effort to offset it, is desirous of carrying out an extensive public works program involving the construction of rural roads and aqueducts. He pointed out that in this connection the Government is reducing its budget by approximately 30 per cent, which will mean the dismissal of some Government employees, a situation which will be unpopular from a

¹ William W. Walker, Assistant Chief of the Division of Caribbean Affairs.

political point of view. He feels that a public works program will be of material help in preventing any widespread unemployment. He said, however, that financial assistance will be required from the United States in developing such a program.

The Minister stated that President Prío was a sincere friend of the United States and unlike former Cuban Chiefs of State was not afraid to evince this friendship. He feels that in view of President Prío's attitude this is a propitious time to strengthen relations between the United States and Cuba. He referred to the over-all program which was discussed when he and President Prío were in Washington last December,² and expressed the hope that some progress could be made in developing it.

Cuba, the Foreign Minister said, is strongly opposed to dictatorships, both in the Western Hemisphere and in other parts of the world. He then made a comparison between the democracy in Cuba and the tyrannical dictatorship in the Dominican Republic. In this connection, he referred to Cuba's sugar preference which he said was of far reaching political and economic importance to Cuba. He mentioned the concession on sugar under negotiation with the Dominican delegation at Annecy³ and pointed out that it would be of insignificant economic benefit to the Dominican Republic, but of great importance to Cuba. He feels that aside from the political implications involved, the volume of trade between the United States and Cuba is so much greater than between the United States and the Dominican Republic that there is hardly any economic justification for granting a concession to the latter country.

I told the Minister that I had discussed these matters with Ambassador Butler and that serious thought was being given to them. I also told him that we want to do everything possible to be of help to the Cuban Government.

I inquired whether Colonel Batista⁴ had any connections with the communists. The Minister said that he was under the impression that Batista had been in communication with Lázaro Cárdenas,⁵ a Mexican closely associated with Lombardo Toledano,⁶ but that he was not aware of any direct association between him and the Communist party.

² See memoranda dated December 9 and 10, 1948, *Foreign Relations*, 1948, vol. ix, pp. 573 and 576.

³ Documentation on the meeting of the contracting parties to the GATT, held in Annecy, France, is contained in volume I.

⁴ Fulgencio Batista y Zaldívar, President of Cuba, 1940-1944.

⁵ Lázaro Cárdenas, President of Mexico, 1934-1940.

⁶ Vicente Lombardo Toledano, head of the CTAL.

837.61351/5-2449

The Ambassador in Cuba (Butler) to the Secretary of State

CONFIDENTIAL

HABANA, May 24, 1949.

No. 420

SIR: I have the honor to refer to the proposed reduction from 68.75 cents to 60 cents per hundred pounds of the duty on raw sugar imported into the United States from the Dominican Republic and to this Embassy's telegram No. 140 of May 5, 1949¹ pointing out that, while the effect in Cuba of such a reduction in the margin of preference now enjoyed by Cuban sugar would be of little economic consequence, the psychological reaction would be of great importance and such a shock to Cuba that the situation would probably be twisted against us politically. In this connection I have read with great interest the memorandum of conversation dated May 16, 1949 describing the courtesy call made on the Secretary of State by the Cuban Foreign Minister, Señor Hevía.

I again wish to emphasize the importance to us politically of refraining now from making any concession of this kind to the Dominican Republic, despite the safeguard to Cuba provided by the quota system. As the Department is aware, relations between Cuba and the Dominican Republic have been strained for some time and there seems to be little prospect of the maintenance of any normal relationship so long as President Trujillo² remains in office. This antipathy toward the Trujillo Government is particularly strong among the present leaders of the Cuban Government who, with their history of opposition to a similarly repressive Machado³ regime, find and will continue to find Trujillo's Government most distasteful. This feeling of antipathy toward the Dominican Government is shared by the masses of the Cuban people. Consequently, any reduction in the duty on Dominican sugar which would cut Cuba's margin of preference in the American market would be bitterly resented by the Government of Cuba and most Cubans. It would undoubtedly be seized upon by our enemies in Cuba, especially the Communists, in support of their long-standing thesis that the Wall Street "imperialists" and the United States Government have been giving economic aid and comfort to dictatorships throughout the world.

Furthermore, any reduction in Cuba's preferential position might be used, in due course, to justify an unpopular reduction of wages in

¹ Not printed.

² Rafael L. Trujillo Molina, President of the Dominican Republic, 1930-1961.

³ Gerardo Machado, President of Cuba, 1925-1933.

the sugar industry which could then be blamed on us. In addition, it would undoubtedly be used to point up "Yankee ingratitude" for the services performed by Cuba during the past war as a major supplier of sugar under global contracts. The fact that the reduction would be of little financial benefit to the Dominicans would only emphasize, in the Cuban mind, the pettiness and lack of reasonable justification for such a measure.

Indications of Cuban resentment against the offers made to the Dominicans (and others) have recently appeared in the Habana press. In what might have been an inspired article, the conservative *Diario de la Marina* on May 20 states that "Palace spokesman" told reporters that, despite the recent important sale of Cuban sugar, the President was worried because of the treatment being given Cuba by the United States with respect to the application of Tariffs. The report continues that the Cuban authorities had learned of conversations between American officials and those of other countries which were "a menace to Cuba's basic industry" in that they would affect sales to the United States. This report was used as the basis for a leading editorial in the *Diario de la Marina* on May 22 (for text, see A-679, May 24⁴) which attacked the proposed concessions, principally on the basis of a report that the United States had offered the Haitians a reduction in the tariff on their sugar—a "serious matter for Cuba".

Commenting on proposed United States financial aid to Brazil, the pro-American daily *El Mundo* of May 24 in a leading editorial states: "When one talks of sugar preferentials that might cause a cardinal modification of our present system, we feel acute misgiving."

The above-cited press reactions are mentioned here merely as recent illustrations of the Cuban attitude towards this subject. (For previous press material on this point, see Embassy's A-628, May 10, and preceding airgrams.⁵)

Since offers have already been made to reduce the duties on Dominican and Peruvian sugar, they might be used by our delegation at Annecy as a lever to bring about a solution of our outstanding trade problems with Cuba. However, I am strongly of the opinion that no reduction of Cuba's preferential margin should be made now because of the serious repercussions that would ensue to the detriment of our close political and economic relationship with this country.

Respectfully yours,

ROBERT BUTLER

⁴ Not printed.

⁵ None printed.

560.AL/7-1549 : Telegram

*The Ambassador in the Dominican Republic (Ackerman) to the
Secretary of State*

SECRET PRIORITY

CIUDAD TRUJILLO, July 15, 1949—9 a. m.

220. Although trade value sugar concessions to Dominicans insignificant US offer was widely publicised here and generally interpreted as evidence US sincerity reduce tariff barriers (Deptel 161, July 13¹). Withdrawal now will be viewed internally as evidence US susceptible Cuban pressure even when that in contradiction to our announced trade policy. It may be viewed in other American Republics and here as resumption "spank Trujillo" policy.

Several disadvantages Department cites supporting conclusion appear based solely on fear reprisals from Cuba. It seems inconceivable that we conclude significant political repercussion would follow the granting of a concession involving no loss of trade or could affect textile negotiations which must hold forth benefits to Cuba as well as the US. Even if these fears are real it is surprising they should be adduced as reason for deterring us from implementing the policy of reducing tariff barriers we are attempting establish in our relations with other nations.

Regret Department has not kept me fully informed considerations on which it reached conclusions so as to obtain benefit views this Embassy as well those Habana. As Department recognizes difficulty explain position to Dominican Government, I strongly urge that it carefully review decision and give due weight broad implications.

(a). As Department aware Dominican Government does not in any way discriminate against American trade.

(b). More than eighty percent Dominican imports originate in US.

(c). American capital operating here able withdraw earnings in dollar currency.

(d). Dominican support on international problems has been valuable on more than one occasion.

There are within this government a few sincere men of good will such as foreign secretary Díaz Ordóñez and Annecy delegate Jesus Maria Troncoso, who are advancing liberal concepts. Failure, for what to the Dominicans must appear specious reason, to make good an offer advance principles we have long extolled in field where the Dominican Republic strongly feels it has been a victim of economic discrimination will, significantly, damage standing and effectiveness liberal elements and weaken their moderating counsel within the governmental circle.

ACKERMAN

¹ Not printed.

560.AL/7-1549 : Telegram

The Secretary of State to the Embassy in the Dominican Republic

SECRET

WASHINGTON, August 1, 1949—8 p. m.

175. Amb Thomen informed today Depts decision withdraw sugar offer. Dept considered Factors ur 220 July 15 as well as new proposals USDel Annecy providing for maintenance offer Dom Rep with a reduction and unbinding Cuban rate and again reached conclusion offer to Dom Rep shld be withdrawn and sugar negot postponed until future meeting CPs at which time it might be possible negot Peru. Ur info: Owing wide publicity original offer and psychological and political importance attached to it both in Dom Rep and Cuba necessary weigh possible repercussions US action both countries. Consideration this in balance and factors below resulted final decision.

Dept regrets necessity this position and is aware your difficulty. Dept feels however this position in interest TA program and all concerned.

In any discussions with Doms this subject it shld be emphasized that: (a) Considered advisable maintain our bargaining position for negotiation Peru principal secondary supplier. (b) Dept maintains position that preferences not bound and will pursue its policy of encouraging elimination of discriminatory treatment in international trade. (c) Decision shld not be interpreted as departure established overall foreign economic policy or policy toward Dom Rep. (d) Present benefits insignificant owing export pattern Dom sugar. Future benefits to Dom Rep conditioned upon procedures after lapse quota system. (e) Dom economy not harmed withdrawal of offer. (f) Withdrawal preliminary offer in accordance rules procedure GATT and certain preliminary Dom offers at Annecy withdrawn. USDel Annecy instructed inform you when withdrawal formalized.

ACHESON

560.AL/8-449 : Telegram

The Ambassador in the Dominican Republic (Ackerman) to the Secretary of State

CONFIDENTIAL

CIUDAD TRUJILLO, August 4, 1949—10 a. m.

PRIORITY

246. Urtel 175, August 1. At his request I called on Foreign Secretary yesterday evening. He stated telegram received Thomen Department has instructed Annecy withdraw tariff offer. His government

seriously considering retirement from Annecy as this development makes useless for present further efforts induce US remove discrimination against Dominican sugar. Disappointment greater because after Troncoso visited Washington preceding conference this government believed Annecy offer to be in harmony of expressed policy US Government to progressively eliminate discrimination. Postponing withdrawal Annecy awaiting further information Troncoso re other concessions USDel will offer in return Dominican concessions but the[y] doubtful value in contrast importance removing or diminishing tariff preferences sugar favoring Cuba.

Although aware immediate benefits insignificant so long quota applies, nevertheless would be interpreted evidence US intention eventually accord more equitable treatment Dominican sugar. I emphasized importance US maintaining bargaining position Peru and assured him Department maintains position preferences not bound and will continue encourage elimination discrimination.

He expressed surprise our consideration Peru's importations, Peru sugar small in relation total and depended on arbitrary quota system and wondered whether Department's determination was not primarily result pressure other quarters. Cuban delegation GATT has contended US not free reduce preferentials other countries without Cuban consent. Foreign Secretary inquired whether assurance Department's policy encourage elimination can be interpreted mean it intends reduce preferences soon. When I pointed out future benefits conditioned upon procedures after lapse quota system Foreign Secretary inquired whether quota system to be maintained and if so whether quota Dominican sugar would be increased permit Dominican producers have access substantial portion American market. I pleaded ignorance future intentions which largely dependent congressional action.

Urtel 179, August 3 received today.¹ In my conversation last evening made no mention possible political repercussions Cuba.

ACKERMAN

¹ Not printed: it instructed the Ambassador, in the event of discussions with Dominican officials on the withdrawal of the sugar offer, to emphasize the points mentioned in items (b) and (c) of the Department's telegram 175, August 1, rather than the matter of possible political repercussions in Cuba (560.AL/8-249).

711.372/8-949

*Memorandum of Conversation, by Mr. Eugene Desvernine of the
Division of Caribbean Affairs*

CONFIDENTIAL

[WASHINGTON,] August 9, 1949.

Participants: Señor Dr. Oscar Gans, Ambassador of Cuba
Ambassador Albert F. Nufer¹
Dr. José Antonio Guerra, Director of Currency
Stabilization Fund
CRB—Mr. Desvernine

In the course of a luncheon tendered today by the Ambassador of Cuba, the subject of the proposed Treaty of Economic Development came up in the conversation. Ambassador Nufer referred to recent press reports of a statement made in Habana by Foreign Minister Hevia to the effect that the proposed treaty of friendship, commerce and navigation between Cuba and the United States was a dead issue, and inquired regarding the significance of this statement.

Ambassador Gans replied that the term "treaty of friendship, commerce and navigation" had a very bad connotation in Cuba and in the rest of Latin America as a carryover from the days of British imperialist expansion when the British used to impose such treaties on other countries as a means of effecting their imperialist designs. There had, consequently, been a great deal of opposition in Cuba to the negotiation of such a treaty with the United States, and the communists had taken the lead in exploiting this issue. Recently the communist newspaper in Habana, "Hoy", had carried a sensational article quoting almost verbatim many of the clauses of the proposed treaty of friendship, commerce and navigation which had been submitted by the United States Government to the Cuban Government in 1939.² The Ambassador commented in passing that he had a pretty good idea as to how the communists had been able to obtain this information and that he would investigate this further during his forthcoming visit to Habana. In publicising this subject, the communist newspaper "Hoy" had now charged the Cuban Government and Ambassador Gans with the intention of "betraying" the Cuban people by agreeing to the same kind of treaty which had been rejected

¹ Mr. Nufer, formerly Ambassador to El Salvador, was at this time assigned to the Office of American Republic Affairs.

² Not printed; see *Foreign Relations*, 1939, vol. v, p. 531, footnote 23.

by previous administrations in Cuba. Under these circumstances, Minister Hevía had found it necessary to counteract this highly unfavorable publicity by issuing a statement categorically denying any intention to negotiate a treaty of friendship, commerce and navigation with the United States. The Ambassador stated that this was the sole reason for the Minister's statement and that such a statement should not be interpreted in any way as interfering with contemplated negotiations looking to the conclusion of a treaty of economic development between Cuba and the United States within the general lines of President Truman's Point IV program. He added that the Cuban Government was prepared to initiate these negotiations in Washington immediately.

Ambassador Gans went on to state that one of Cuba's main points of interest in such a treaty centered on the inclusion of a provision which would "stabilize" the market for Cuban sugar in the United States. He said that he had recently discussed this matter with Mr. Shields, representative of the domestic beet growers,³ and that Mr. Shields' reaction had been very favorable. Mr. Shields is reported to have said that, since Cuba was the largest supplier of sugar to the United States market, the domestic interests would feel that their position would be protected by a treaty between Cuba and the United States containing guarantees of a fixed percentage participation for Cuban sugar in the United States market (presumably no greater, albeit no less, than that enjoyed now under the Sugar Act⁴) over a period of years, thus eliminating the possible danger to the interests of the domestic producers which arises periodically when the Sugar Act comes up for renewal.

Ambassador Gans felt that this attitude on the part of a representative of domestic sugar producers was an encouraging indication of the feasibility of incorporating a provision on Cuban sugar in a bilateral treaty. Further dwelling on the subject of the treaty, the Ambassador stated that it would be very helpful to the Cuban Government in selling the treaty to the Cuban people, and particularly to the Cuban workers, if some provision could be included which would permit Cuban workers to be trained for special skills in the United States during a temporary period. He said that opposition on the part of Cuban labor to the increased employment of American technicians in Cuba under the terms of the treaty would be weakened if it could be shown to them that facilities were being provided for Cuban workers to be trained in those same technical lines for later employment in Cuba. He said that he realized that since public training and

³ Robert H. Shields, President and General Counsel of the U.S. Beet Sugar Association.

⁴ Approved August 8, 1947; 61 Stat. 922.

educational facilities in the United States are a function of the states it might be difficult for the Federal Government to agree to such a provision in a treaty, but that he would like us to consider this point in the thought that perhaps some arrangement might be worked out.

The Ambassador stated further that, in studying the specific treaty proposals submitted by us to the Cuban Government, he had found that many provisions fell within the sphere of human rights, as distinguished from purely economic rights. He mentioned among these the right of transit, the right of access to the courts and to prompt trial, the right of protection against unlawful searches and seizure, etc. He stated that in line with the resolution on human rights issued at the Bogotá Conference⁵ and with the efforts now being contemplated by the United Nations to conclude a convention on human rights,⁶ he thought that it would be especially appropriate if the United States and Cuba could extract the aforesaid provisions from an economic treaty and conclude a separate convention on the subject, which would serve as a sort of pace-setter to similar action on a bilateral or multilateral scale among other nations of the world. He emphasized that this suggestion was without prejudice to immediate and simultaneous negotiation of an economic convention between our two countries. At the suggestion of Ambassador Nufer and myself, Ambassador Gans agreed to send us a memorandum embodying his views on the subject.

Ambassador Gans also stated that the Cuban Government was interested in the inclusion in an economic treaty of appropriate provisions relating to exchange control and that the Cuban Government was ready to offer guarantees of the availability of dollar exchange to the extent that we would permit dollars to flow into Cuba through the purchase of Cuban products, etc.

While on the subject of exchange, Dr. Guerra, who is the director of the new Cuban currency stabilization fund, stated that he had had an interview yesterday, in the company of Ambassador Gans, with Assistant Secretary of the Treasury Martin, and that he had broached the subject of an exchange stabilization credit to Cuba by the Treasury Department. He said that the necessity for such a credit was based

⁵ The text of Resolution XXX of the Bogotá Conference, entitled the "American Declaration of the Rights and Duties of Man", is printed in *Ninth International Conference of American States, Bogotá, Colombia, March 30-May 2, 1948: Report of the Delegation of the United States of America With Related Documents* (Department of State Publication No. 3263, November 1948), p. 260.

⁶ In June 1952, the U.N. Commission on Human Rights approved the Draft Covenant on Civil and Political Rights and the Draft Covenant on Economic, Social, and Cultural Rights; the texts are printed in *American Foreign Policy, 1950-1955: Basic Documents* (Department of State Publication No. 6446), vol. 1, pp. 204 and 219.

mainly on psychological considerations in order to avoid a possible flight from the peso when the new Cuban national bank begins operations in November. Dr. Guerra stated further that it was also in the interest of the United States to avoid any possible devaluation of the peso and that the credit would imply no risk at all to us since in the first place the very announcement of the credit would probably prevent the necessity of using it and in the second place the credit would be amply guaranteed by Cuba's gold reserves in the United States. He said that Assistant Secretary Martin had mentioned the existence of the International Monetary Fund in this connection and that he (Guerra) had agreed that Cuba would avail itself of the facilities of the Fund before actually using any of the United States credit. He had mentioned to Mr. Martin also that the existence of the International Fund had not prevented the United States from extending the stabilization agreement with Mexico. Dr. Guerra said finally that, while Mr. Martin had been noncommittal, he had gathered the impression that Cuba's request would be given sympathetic consideration.

837.61351/9-2249

The Ambassador in Cuba (Butler) to the Secretary of State

CONFIDENTIAL

HABANA, September 22, 1949.

No. 721

SIR: I have the honor to enclose a memorandum of a recent conversation between officers of the Embassy and Dr. Arturo Mañas, Secretary of the Sugar Mill Owners Association. Dr. Mañas' reason for introducing into his conversation statements emphasizing the necessity for Cuba to seek revision of its policy concerning relations with the United States was inspired by developments during the recent conference of GATT Contracting Parties at Annecy.

From this conversation with Dr. Mañas, and from other sources, it is clear that Cubans familiar with our position at Annecy regarding tariff preferences and the overwhelming defeat of the Cuban thesis on that subject¹ have been somewhat stunned by the realization that

¹ At Annecy, the Cuban delegation had taken the position that the tariff preferences which Cuba enjoyed in the United States by virtue of the GATT could not be reduced or eliminated by the United States without the prior consent of the Cuban Government. The United States took the position that, if this were so, Cuban consent would be necessary for any concession made by the United States to another contracting party at Annecy if the concession touched upon the Cuban preferences; the United States further maintained that the purpose of the GATT was to reduce trade barriers and preferences. The issue was referred to the contracting parties which upheld the U.S. position by a vote of 14 to 1, after which the Cuban delegation withdrew from the session. The contracting parties then invited both countries to resolve the problem in bilateral negotiations. (See Department of State *Bulletin*, November 21, 1949, p. 776.)

the United States is in earnest in proposing to reduce and eventually to eliminate the exclusive tariff treatment that has applied to Cuban-American trade for many years. It will be recalled that during the Habana Conference (November 1947 to March 1948), Cuba for the first time felt called upon vigorously to defend publicly the special tariff arrangements it has enjoyed with the United States since the Republic was established; and realization that those who favor whittling away such special privileges have been joined by the United States (while willing itself to forego special treatment accorded under exclusive agreements), has served to point up to Cubans the imminence of the change in policy that is envisaged in the General Agreement to which their country is signatory. The bitterness of this realization has been accentuated by the proposal that such changes in exclusive tariff treatment can be made without Cuba's consent.

As to sugar, well-informed Cubans are well aware that Cuba's advantage in the American sugar market is derived almost entirely from the Sugar Act quotas (but in whose determination Cuba has no voice); and while at times they have been prone to belittle the advantages to the Cuban sugar industry of recent reductions in the rate of duty on Cuban sugar, as occasion seemed to require, they have vociferously objected to any diminution in the margin of preference on the ground that this constitutes an intangible asset of psychological and even economic importance to Cuba. Under the circumstances it is quite evident that Cuba fears, for reasons whose actual validity it seemingly has difficulty in clearly establishing, any change in the present margin of preference on sugar. The possible decrease in or elimination of this margin serves to emphasize the real importance of Cuba's quota share in the American sugar market, and has stimulated a search for a formula that will enable Cuba to participate in determining that share on a long-term basis. The formula Dr. Mañas has proposed has obvious advantages to Cuba, and to his satisfaction he has demonstrated that it is feasible from a legal point of view, but does not presume to appraise its practicability on any other important basis.

The Cuban thesis presented at Ancecy regarding changes in preferential margins apparently was developed by Dr. Guillermo Alamilla, a law partner of Dr. Mañas, whose firm specializes in matters pertaining to the Cuban sugar industry. Some significance, therefore, is attached to the view of Dr. Mañas set forth in the enclosure, as indicating possible Cuban Government strategy in another effort to tie Cuban sugar quotas to the settlement of some of our long-standing problems with Cuba, and specifically certain provisions of the proposed Convention of Establishment and Economic Cooperation.² In

² Agreement was not reached during 1949 by the United States and Cuba on the proposed Convention.

fact, it will be recalled that in his first approach to a proposed convention of that nature, the Minister of State emphasized, among many other matters, the desire of the Cuban Government to include the "stabilization" of the Cuban sugar industry. The tenor of Dr. Mañas' remarks would indicate that that approach to a treaty by the Cuban Government will have the support of leaders in the Cuban sugar industry.

Characteristically, this approach places emphasis predominantly upon sugar, with none upon industrial or agricultural diversification and expansion and the means to foster and accomplish such progress—such as the elimination of ever-increasing barriers to private foreign investments. The latter is quite as important from the standpoint of sound, long-term economic policy as is sugar—and it is a matter in which we conceivably are as deeply interested from the standpoint of Cuban economic progress and political equilibrium. On the basis of past experience, however, it is not felt that Dr. Mañas can be relied upon to contribute much to the development of a program not related closely to sugar; and while he expressed interest in exploring the subject further upon his return from the London Sugar Conference, it is expected that any additional views will be refinements of the general theme he has already expounded.

Respectfully yours,

For the Ambassador:
HAROLD S. TEWELL
Counselor of Embassy

[Enclosure]

Memorandum of Conversation

CONFIDENTIAL

HABANA [undated].

Reference is made to a memorandum of conversation concerning Cuban sugar problems which took place September 15 between Dr. Arturo Mañas on the one hand and Messrs. Elbrick,³ Tewell, and Nolan⁴ on the other, which memorandum was transmitted to the Department under cover of Confidential despatch no. 705, September 16, 1949.⁵

Toward the close of the conversation referred to above, Dr. Mañas mentioned the outcome of the recent GATT discussions at Annecy, and proceeded to dilate lengthily and emphatically upon the implication of these discussions as regards Cuba's future relations with the United States.

³ C. Burke Elbrick, Counselor of Embassy in Cuba.

⁴ Louis C. Nolan, Attaché at the Embassy in Cuba.

⁵ Not printed.

Mañas began by stating that the attitude which the United States delegation assumed at Annecy with regard to United States tariff preferences on Cuban products has forced Cuba to conclude that the bases of its economic and political relations with the United States must be revised completely. The new bases of these future relations, he emphasized, should certainly be a long-term, across-the-board executive agreement between the Cuban and American Governments settling all outstanding problems, while simultaneously guaranteeing Cuba's tariff preferentials and sugar quota in the United States. He failed to mention the size of sugar quota desired and admitted that the sugar preferential had political significance only, but he maintained that if the United States really desires an agreement regarding the entry of Americans into Cuba to work, the local operation of American banks, et cetera, it can (in his opinion) be secured only in the above-mentioned way.

Mañas admitted outspokenly he had no patience whatsoever with the frequently-advanced legal argument that the United States Constitution precludes our President from entering into such an executive agreement without Congressional sanction. He pointed out that while the United States Senate has to approve all treaties by a two-thirds vote of the Senators present, it does not have to approve executive agreements such as he has in mind, and that decisions of the Supreme Court have amply confirmed and approved this executive prerogative. He has not prepared a written legal opinion on this subject, but he stated that the Department of State in Washington had prepared an excellent one some time ago in connection with the St. Lawrence Waterway Project.⁶ As a further example of the type of thing he had in mind, he also referred to an exchange of letters (December 23, 1941⁷) between United States Ambassador Messersmith and Cuban Minister of State Cortina, in which the statement was made that the United States would "take at all times every appropriate and possible effort to safeguard" Cuba's position in the United States sugar market. Mañas amplified his thesis further by stating that should the United States Congress subsequently enact legislation contrary to such an executive agreement, the Executive would be obligated to veto such legislation, and that if the law annulling the agreement were passed over the Presidential veto, the Executive accordingly would be relieved of any obligations under the agreement. According to Mañas, however, the Cubans would be willing to accept this calculated risk.

At this juncture in the conversation, Mr. Tewell noted that Mañas' observations in regard to an executive agreement were wholly legal and took no cognizance of political factors that our Presidents always have

⁶ See *Foreign Relations*, 1941, vol. III, pp. 157-159.

⁷ Not printed, but see *ibid.*, vol. VII, p. 246.

to bear in mind in such cases. In reply Mañas stated there is no reason to believe that the United States cane and beet interests affected by a long-term sugar arrangement with Cuba would prevent the negotiation of such an agreement. In Mañas' opinion, President Truman could swing such an agreement politically, because, once its terms became known, it would contain some concessions for certain United States interests which would assist in putting it across.

Once Mañas had outlined his legal and political arguments in support of such an agreement, the Embassy officials let it be known they did not concur with his observations in all respects. They pointed out that, while it is true (as Mañas affirmed) that the Supreme Court has confirmed the power of the President to conclude executive agreements in a number of specific instances, this power broadly speaking is still in the twilight zone of executive action and not so well defined legally but that it might easily become a subject of legal debate (more particularly when such an agreement involves sugar quotas on which Congress has legislated), and give rise to possible charges of Executive usurpation of Congressional function.

In reply to Mañas allegation that United States cane and beet interests probably could not prevent the execution of such an agreement, Mr. Tewell pointed out such an assumption might be entirely wrong, particularly in view of the overwhelming support which the agricultural sections of the United States gave the present Administration in the last election; and that this angle of the situation would be appreciated by President Prío, who faces a similar problem with regard to sugar wages in his desire to retain the support of the highly-organized sugar workers.

In passing, Mr. Tewell also called attention to another possible reason why it might be difficult for such an agreement as Mañas proposed to be accepted politically in the United States: Cuba's long record of failure to live up to its previous agreements with the United States and to pay the large amount of claims owing American citizens which have been adjudicated by Cuban courts, despite the fact that the previous Cuban administration had enjoyed unprecedented revenues running up to 300 million dollars annually. Mr. Tewell pointed to the possibility that many Americans in influential circles might feel that another long-term United States agreement with Cuba would meet the same fate.

Mañas listened carefully to these observations and agreed they merited consideration. Any problems related thereto, he felt, would have to be worked out by the two countries in a spirit of friendship and compromise. He insisted, however, that should the conclusion be reached on political grounds that such a long-term executive agreement is inexpedient, no basis would then exist on which the United States

and Cuba could get together to reorganize their economic and political relations.

In conclusion, Mañas stated that such an agreement is Cuba's "only hope", that it has been discussed with President Prío, and that the latter looks upon it with favor. Mañas feels that with President Truman's friendly feeling for Prío and with Ambassador Butler's friendship for Cuba, this is perhaps the most opportune occasion Cuba will ever have to revamp its relations with the United States in such a satisfactory way. Mañas feels further, however, that Prío is too weak and dilatory to take advantage of this opportunity and that he will let it pass unrealized.

C. BURKE ELBRICK
HAROLD S. TEWELL
LOUIS C. NOLAN

837.51/11-149

The Ambassador in Cuba (Butler) to the Secretary of State

CONFIDENTIAL
No. 809

HABANA, November 1, 1949.

It is understood that the Cuban National Bank is interested in negotiating with the Treasury Department an agreement for a currency stabilization loan of 50 million dollars in the near future, although in other quarters it is felt that such a loan may be unnecessary in view of Cuba's gold stock.

If we are disposed to enter into such an agreement¹ should it be proposed by Cuba, it is respectfully suggested that this opportunity be taken to obtain from the Cuban Government settlement of several long-standing problems.

In return for assistance in stabilizing Cuban currency the Cuban Government should be prepared to stabilize conditions in Cuba in a manner that affords some assurance of stability for American investments in this country, at present and in the future. In that connection it is important that the Cuban Government restore its own credit-standing and support its own Courts to the extent of paying some \$1,300,000 in American claims adjudicated long ago by such Courts. If enabling legislation is required, the President of Cuba should request such legislation of the Congress, which is controlled by his administration, and the payment of such claims should be provided for in the budget. There should also be a definite commitment by the Cuban Government to liquidate satisfactorily other legitimate American claims that have been pending for years.

¹ No such loan agreement was entered into during 1949.

Also to stabilize conditions in Cuba in a manner that will attract American private investment along the lines of President Truman's "Point Four" program, the essential features of the proposed Treaty of Establishment and Economic Cooperation² should be incorporated in an undertaking that can be quickly approved and put into effect.

There are also other long-standing problems with Cuba that contribute to friction and ill-feeling, and which should be corrected on the basis suggested above: the Seatrain problem (despatch No. 564, July 25, 1949; Embassy's A-1185, September 15, 1949); the public accountants problem (despatch No. 694, September 13, 1949); the Havana Electric Railway problem (Embassy's A-1112, August 1949); the cancellation of Decree No. 4504 (Department's A-384, July 22, 1949); the cancellation of Decree No. 4166 (despatch No. 579, July 27, 1949); elimination of discrimination regarding the tax on refining of crude petroleum (Department's instruction No. 34, February 11, 1949); elimination of discrimination regarding gross sales tax on lumber (despatch No. 367, May 5, 1949) and on other products (despatch No. 242 of March 24, 1949 and No. 168 of March 4, 1949); modification of the Land Lease Law (Law No. 7 of 1948) as outlined in despatch No. 915 of November 26, 1948.³

ROBERT BUTLER

² See footnote 2, p. 641.

³ None of the documents referred to in this paragraph is printed.

Editorial Note

On December 27, 1949, the United States announced that talks would open with Cuba in February 1950 for renegotiation under the GATT of Cuban concessions on certain items negotiated originally in 1947; see Department of State *Bulletin*, January 9, 1950, page 58. For information on the results of the renegotiations which concluded on May 31, 1950, see *ibid.*, June 12, 1950, page 980.

DOMINICAN REPUBLIC

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND THE DOMINICAN REPUBLIC

[Documentation on the Dominican Republic is contained principally in the regional compilation on United States support of Inter-American collective action for peaceful settlement of disputes, with particular reference to the Caribbean area, and in the compilation on United States economic relations with Cuba.]

EL SALVADOR

POLITICAL RELATIONS OF THE UNITED STATES AND EL SALVADOR

[On January 21, 1949, the United States established diplomatic relations with the Council of Revolutionary Government which had assumed power in El Salvador in December 1948. For pertinent documentation, see *Foreign Relations*, 1948, volume IX, pages 116 ff.]

GUATEMALA

RELATIONS BETWEEN THE UNITED STATES AND GUATEMALA CONCERNING MILITARY MATTERS

Editorial Note

For documentation relating to transfer of United States Air Bases in Guatemala to the Guatemalan Government during 1948 and 1949, see *Foreign Relations*, 1948, volume IX, pages 228 ff.

Effective July 1, 1949, the office of Military Attaché, which had been closed during the previous year, was re-opened subsequent to a request from the Ambassador in Guatemala (Patterson); for pertinent documentation, see Department of State files 121.5414/4-549, 7-1349, 12-2049.

On December 20, 1949, the United States and Guatemala signed a Military Air Transit Agreement, the principal use of which by the United States was to facilitate the flight of U.S. military aircraft between the United States and the Panama Canal Zone; for the text, see Department of State Treaties and Other International Acts Series (TIAS) No. 2042, and 64 Stat. (pt. 3), B122.

On October 12, 1949, the Guatemalan Chargé (Linares) approached the Department of State with an informal request for purchase by the Guatemalan Government of 18 P-51 aircraft from the United States for the purpose of strengthening the Guatemalan Air Force. In a memorandum dated December 27, 1949, Assistant Secretary of State Edward Miller indicated that the Bureau of Inter-American Affairs opposed the request and was prepared to inform the Guatemalan Ambassador that the aircraft could not be exported in view of prevailing unsettled conditions in the Caribbean area. (814.248/10-1749)

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND
GUATEMALA

711.14/6-1449

*The Acting Secretary of State to the Ambassador in Guatemala
(Patterson)*

RESTRICTED

WASHINGTON, June 14, 1949.

No. 80

SIR: Reference is had to conversations held between you and officers of the Department during your recent visit to Washington on the subject of relations between the United States and Guatemala and proposed measures to improve them. It was noted in those conversations that for some time, and increasingly during the past six months, certain actions of the Guatemalan Government have reflected a lack of concern for traditional good relations between Guatemala and the United States. Some of these actions have involved the rendering of cooperation and assistance to pro-Communist elements in Guatemalan national life. Others have demonstrated a disregard of the rights of legitimate American interests established in the country and of the right of American citizens to reside there in accordance with Guatemalan law. It was agreed that measures should be taken by this Government to protect its interests and to place relations between the two countries on a sounder and more even footing.

The Department contemplates, with your agreement, that as a first step in this direction you will call on President Arévalo¹ and in a personal conversation express to him your concern with the impression which has been created within this Government by the attitudes adopted and the measures taken by the Guatemalan Government in disparagement of American rights, of good relations between Guatemala and the United States, and of the all-important effort to preserve and strengthen the values of the democratic culture common to both countries.

There is enclosed as of possible assistance to you in your conversation with the President a memorandum setting forth some recent developments in Guatemala that have been of particular concern to this Government. The memorandum is not intended to be a communication from this Government or from you personally to the President. It is intended solely as a statement, which may be of aid to you in your conversation, of troublesome developments in Guatemalan-American relations. You may add to it if developments later than those it covers warrant—for instance, should the bill for raising duties on cotton

¹ Juan José Arévalo Bermejo, President of Guatemala.

yarns and cloths be enacted into law despite the US-Guatemalan trade agreement.²

If you deem it desirable, you may speak to the President again of the contributions that American private capital is making to the Guatemalan economy and of the role it could play in the further development of the country were a favorable climate created for its entry through the impartial administration of just and non-discriminatory laws. You may refer not only to the material benefits received by Guatemala as a result of present official and private relations with the United States but of the contributions made in fields such as education and sanitation by both private and official American operations. It is the sincere hope of this Government that it will be possible for American public and private capital to continue to make a contribution to economic and social development of Guatemala.

In your conversation with the President you should carefully refrain in any way from conveying the impression that this Government is assuming, or intends to assume, a threatening posture toward Guatemala, which is not the case. However, the Department feels, and you may so state to the President, that it cannot continue to conduct its relations with the Guatemalan Government in that cordial and co-operative spirit that has inspired it in the past unless there is a reciprocal desire on the part of the Guatemalan Government to contribute likewise to mutual understanding, fair treatment, and friendly cooperation.

Very truly yours,

For the Acting Secretary of State:

PAUL C. DANIELS

Director

American Republic Affairs

[Enclosure]

MEMORANDUM

(1) Carlos Manuel Pellecer, who is known by both governments to be an active communist supporter and who gained notoriety in Paris as Guatemalan Chargé by his efforts on behalf of the communist cause was recently appointed head of the Cultural Travelling Missions of the Guatemalan Government. In this position he will control the education and indoctrination of large numbers of the country's population.

² Dated April 24, 1936; text in Department of State Executive Agreement Series No. 92, and 49 Stat. (pt. 2) 3989. Airgram 262, September 30, from Guatemala (not printed), reported that in early September President Arévalo had vetoed the decree authorizing an increase in the import duties on cotton yarns and textiles, partly on the grounds that it would violate the United States-Guatemala Trade Agreement (814.50/9-3049).

(2) The two Guatemalan delegates to the so-called World Peace Congress recently held at Paris by the communists as part of their systematic campaign to destroy Western democracy travelled on diplomatic passports. It is not known that the passports were issued for any purpose other than travel to the Congress. Hence, these delegates may be considered to have been present there under the sponsorship of the Guatemalan Government. Upon his return to Guatemala one delegate has engaged in parroting the usual anti-democratic, pro-communist propaganda. The other delegate, rumor in Guatemala has it, is now beyond the Iron Curtain, which may be crossed with facility only by agents of, or outstanding sympathizers with, communism.

To grant diplomatic or official passports to delegates attending communist congresses appears very much against the spirit and the letter of Resolution XXXII of the Bogotá Conference.³ It is to be hoped that the Guatemalan delegates, if any, to the forthcoming Milan Congress of the WFTU (the which organization has been denounced as communist by the democratic trade unions of the West which have left its ranks) and to the communist-inspired "Peace" Congress of Mexico City will not travel with official passports.

(3) Guatemalan labor appears to be subjected to the influence of nationals and foreigners connected with the international communist movement. Relations between the labor movement of Guatemala and the government are close and obviously the two cooperate in meeting the country's problems. Accordingly, it is lamentable that the government, given its working relations with the labor movement, does not seek to rectify the apparent inspiration of its leaders in the totalitarian East, where labor is regimented and exploited and its voice brutally suppressed by the communist state. Rather, by its acquiescence in this state of labor affairs, the government appears to foster this inspiration. Equality and democracy are the traditional ideal and goal of the West. It is there, where the labor movement has militated long and successfully for the improvement of the living standards of the people, rather than in the false propaganda and the slave labor movements of the East, that a sound labor movement may find inspiration in the world of the present.

(4) The recently adopted attitude of the Minister of Agriculture⁴ toward the agricultural research program in which the United States and Guatemala cooperate has aroused the apprehensions of the Embassy and the Department. It is not for a minute contended that this program should be placed above criticism, but the manner in which the Minister announced his intention of, and set about, investigating

³ For text of Resolution XXXII and related documentation, see *Foreign Relations*, 1948, vol. ix, pp. 193 ff.

⁴ Jorgé Matheu.

it was not helpful. Rather it appears to betray a basic animus against the program, which cannot but be alarming.

(5) An anti-US attitude was noticeable in the preparations for the inauguration of the Hospital Roosevelt Nurses' Home. Happily, speakers at the ceremony did not share this attitude. But officials with influence in preparing the program did. They attempted to eliminate prominent recognition in it of US cooperation in the hospital project.

(6) The experience of American enterprises participating, or attempting to participate, in the economic development of Guatemala has been discouraging. The unpleasant episode in which the United Fruit Company figured in the early part of the present year⁵ was aggravated by the evident animus of certain Guatemalan officials against the American company. Not content to let the law run its course, these officials aroused public feeling against the company and attempted to sway, and swayed, competent authorities against the company. Thus the Minister of Labor⁶ published a book against the company, representing it as defying the nation. He attacked the company's lawyers as traitors to Guatemala. The Government radio carried other attacks against the company.

The Company was obliged to submit for settlement of the difficulty to procedures of dubious legality. The International Railways of Central America are now in negotiations with their workers. It is to be hoped that in this case the law will be permitted to run its course without interference.

(7) There have occurred within the last few months four cases of the issuance of expulsion orders against American citizens settled in Guatemala in the employ of established American companies. While it may be that on purely legal grounds the issuance of these orders is defensible, it is impossible to avoid the suspicion that again the anti-American animus of certain officials has played a part. The cases appear to have been justiciable under the labor law, but extraordinary procedures were availed of to move against the American citizens summarily.

(8) American lumber companies in the Peten area have had to terminate their operations as a result of an embargo placed by the Guatemalan Government on the regular routes of transport for their product. After having entered Guatemala under contract with the Government, these companies have thus been caused serious financial loss.

⁵ Despatch No. 130, March 11, 1949 from Guatemala (not printed), reported on the successful termination of a protracted labor-management controversy involving the United Fruit Company (814.504/3-1149). Further material is in Department of State files 814.5043 and 814.5045.

⁶ Alfonso Bauer Paiz.

(9) The unsympathetic attitude of officials of the Guatemalan Government has led to the curtailment of the operations of a number of American companies which were engaged in activities of greatest importance to the Guatemalan economy. Pan American Airways has closed its flight control station and its flight kitchen in Guatemala City, detracting from the city's potentialities as an important international communications center. The United Fruit Company has virtually decided to abandon Bananera plantations, rather than invest under present conditions from \$5,000,000 to \$10,000,000 in their rehabilitation.

Three American oil companies have made preparations to cease their exploratory work in Guatemala. They had amply demonstrated their sympathy with the government's efforts to elaborate a petroleum code which would safeguard the national interest in an important natural resource. They were promised reasonable terms under the law for continued operations in Guatemala. It was only when the practical requisites for production had been ignored in the revision of the petroleum code that they finally took steps to end their activities. The circumstances surrounding this revision manifest an anti-American attitude as well as lack of technical knowledge of petroleum matters on the part of certain officials. It is not the question of whether or not Guatemala desires to have her petroleum resources developed by private American capital that is of primary concern; it is the attitude that was assumed toward that capital after it was invited to enter Guatemala which is adverted to here.

711.14/6-2849 : Telegram

The Ambassador in Guatemala (Patterson) to the Secretary of State

RESTRICTED

GUATEMALA, June 28, 1949—9 a. m.

274. During one hour, 40 minutes interview President Arevalo yesterday I expressed in friendly but frank manner deep concern with adverse impression created within US Government as well as within US business circles certain attitudes and actions Guatemalan government affecting good relations two countries. My remarks deviated little from Department's instruction 80 June 14 which I expanded to cite virtually all difficulties harrassing US firms and citizens during past four years and the examples apparent pro-Soviet propaganda and attitudes. I emphasized that continuing cooperation must be based upon reciprocity as stated last paragraph reference instructions. Stressed also need to rectify present atmosphere hostility toward US concerns as prerequisite encouragement new private capital for needed economic development.

Arevalo interspersed frequent explanations on given situations basing defense in general on premise these difficulties and apparent harassments due fundamental nature Guatemalan revolution resulting inevitably conflict between capital and labor effects of which felt by Guatemalan capital as well as US private interests. Policy his government precisely one of social and economic betterment as only long range means remove maladjustments that now unfortunately provide fertile soil Communist propaganda. He brushed off issuance diplomatic passport to Gutierrez and Fortuny for attendance World Peace Congress as courtesy gesture toward two ex-deputies.

Arevalo assured me his personal desire fullest cooperation US and intention use his influence this direction within bounds possible under democracy and Guatemalan laws, without assuming dictatorial powers like Somoza¹ and Trujillo.² He took many notes and I came away with impression he fully understands our viewpoint. We agreed have further talk about two or three weeks hence. Full report follows by despatch.³

PATTERSON

¹ Anastasio Somoza, President of Nicaragua, 1937-1947.

² Rafael L. Trujillo Molina, President of the Dominican Republic.

³ Despatch No. 331, June 30, 1949, from Guatemala not printed.

814.00/7-2049: Telegram

The Secretary of State to the Embassy in Venezuela

CONFIDENTIAL

WASHINGTON, July 21, 1949—6 p. m.

263. Latest reports in Guat indicate fighting between followers of Arana, who was Chief of Armed Forces,¹ on one hand and those of President and Minister of National Defense² on the other, ceased late Tues³ (urtel 457⁴). Good offices dipl corps instrumental preventing prolongation fighting. No casualties Amer citizens reported. General situation now calm.

Fighting by Arana followers apparently lacking in plan and coordination and probably resulted as spontaneous reaction assassination and arrest certain Arana supporters. Whole incident seems instigated by Army elements allied with PAR and other radical groups to prevent Arana from gaining full control Army fol successful election last week of additional Arana supporters to Supreme War Council.

¹ Col. Francisco Arana, Chief of the Guatemalan Armed Forces, had been assassinated in Guatemala on July 18.

² Lt. Col. Jacobo Arbenz Guzmán.

³ July 19, 1949.

⁴ Not printed; it requested information on the assassination and outbreak of fighting in Guatemala.

Overall result appears signify defeat of moderate elements govt and substantial strengthening leftists.

ACHESON

711.14/6-3049

The Secretary of State to the Ambassador in Guatemala (Patterson)

RESTRICTED

WASHINGTON, July 27, 1949.

No. 114

SIR: Reference is made to the Department's Restricted Instruction No. 80 of June 14, 1949 which directed you to express to President Arévalo this Government's concern over the attitudes adopted and the measures taken by the Guatemalan Government in disparagement of American rights and of good relationships between Guatemala and the United States.

The Department fully approves of the manner, as reported in the Embassy's Despatch No. 331 of June 30,¹ in which you approached the President.

The Department is, however, seriously concerned that although you made specific reference to the developing conflict between the International Railways of Central America and the Guatemalan Labor Union SAMF, no evidence has been developed to indicate that the President or any agency of his Administration has taken positive action to insure that the IRCA would receive fair and just treatment in accordance with the established law of Guatemala. On the contrary, the Government of Guatemala, by indifference and inaction, seems to have condoned if not approved, what appears to have been an attempt to coerce the IRCA into entering into compulsory arbitration of the dispute, without first attempting to utilize conciliation procedures, as stipulated in the Labor Code.

Furthermore, the Department is seriously concerned that the Arbitration Tribunal, accepted with reservation and under protest by the IRCA, was composed of labor and management representatives of dubious competence; that the Court Representative has given evidence of bias in favor of the Union case; that there is evidence of unseemly participation in the deliberations of the board by the Coordinating Magistrate of the Labor Courts; that the management representative has given reason to believe that he was coerced into signing the arbitration award, without having been given an opportunity to study the case, or interview witnesses and obtain qualified and expert advice; that the award was apparently rushed through in an effort to complete action before the Supreme Court had had an opportunity to decide

¹ Not printed; see telegram 274, June 28, from Guatemala, p. 654.

upon the IRCA's appeal for an injunction against the Arbitration Board on legal grounds; and that labor elements endeavored to intimidate the Supreme Court of Guatemala which was considering the IRCA's appeal.

It is further a matter of deep concern to note that when the President of the IRCA ² personally requested the intercession of President Arévalo, he is reported to have agreed with the IRCA's position and promised assistance. However, nothing positive has been accomplished by him nor is there evidence that he endeavored to act forcefully upon his reported commitment.

In the face of these circumstances, the Department has been reluctantly led to have grave doubts that United States firms will be in a position to secure impartial justice in Guatemala so long as the Government appears to condone obviously improper activities and takes no action to insure the right, long recognized and established by international usage, of foreign elements to live and work within the framework of the laws of host nations.

As a consequence of these developments, and provided you perceive no objection, you are requested to seek an immediate interview with President Arévalo to discuss with him specifically the critical situation which now confronts the International Railways of Central America and the significance which the Department places upon this case as a portent of the future of good relationships between Guatemala and the United States.

In this interview you should remind the President of your previous discussion of the case and should review for him, step by step, as reported in your several communications to the Department, the progress of the dispute and the facts as they are known to the Embassy and to the Department. You should state that the Department's viewpoint is based upon these facts, and you should indicate that if they are considered by him to be incomplete or inaccurate, the Department would welcome full clarification. Otherwise, you should state that the IRCA is now faced with the choice of refusing to comply with the award of the Board, thereby appearing to defy the majesty of the Guatemalan courts, or of complying with the award of the Board, which it considers to have been illegally constituted and granted and thereby placing itself in serious economic jeopardy.

You should imply that the Department considers it very regrettable that the President has not seen fit to use his influence to assure fair treatment of American interests, and that if the Department's information is well founded, the IRCA is fighting for its very existence against circumstances which may ultimately force it into an appeal

² Thomas Bradshaw.

for intervention of the Government of the United States on the grounds of a denial of justice.

In making this statement you should refrain from indicating that this Government in any way prejudices the situation and considers that there has in fact been a denial of justice. Rather, you should indicate that the situation appears at this time to be serious enough to warrant and require the immediate attention of both Governments so that every effort may be exerted to avoid a possible consequence of this disagreeable nature.

In a convincing manner you should indicate to the President that public opinion in certain parts of this country has been aroused by the reported Guatemalan treatment of Americans and American enterprise. Therefore, the question has now arisen as to the extent to which the Government of the United States can continue, with technical aid and funds, to join with other nations in friendly cooperative projects when a reciprocal desire for mutual understanding is not demonstrated by the insurance of fair and impartial treatment to American individuals and firms resident in such countries.

For your information, it is contemplated that the Guatemalan Ambassador will be requested to call at the Department, at a time to coincide with your interview with the President, for a full and frank discussion of the IRCA case.

You should make it entirely clear to the President that you are acting on the specific instructions of your Government in this matter.

Very truly yours,

For the Secretary of State:

EDWARD G. MILLER, JR.

Assistant Secretary

814.504/7-2549

*Memorandum of Telephone Conversation, by Mr. Ernest V. Siracusa
of the Division of Central America and Panama Affairs*

CONFIDENTIAL

[WASHINGTON,] August 2, 1949.

Participants: Ambassador Richard C. Patterson, Jr., Guatemala
Milton K. Wells, First Secretary, Guatemala
Murray M. Wise, CPA ¹
Ernest V. Siracusa, CPA

An appointment telephone call was put through to Ambassador Patterson at 4:30 today. Mr. Wise inquired regarding the status of American business interests vis-à-vis the Guatemalan Government and courts.

¹ Chief of the Division of Central America and Panama Affairs.

The Ambassador said that the situation was very serious and that American interests in Guatemala were being unfairly and unjustly persecuted.

Thereupon Mr. Wise informed the Ambassador that Mr. Miller, the new Assistant Secretary of State for American Republics Affairs, was seriously concerned over what appears to be an ever increasing attitude of discrimination against U.S. business interests by certain officials in the Government and courts of Guatemala. He said the Department was especially concerned since the attitude seemed to be influenced, at least in part, by foreign elements in Guatemala unfriendly to the United States. The Ambassador interjected to say that these feelings were justified. He seemed to refer in particular to the influence of foreign elements in Guatemala.

Mr. Wise stated that Mr. Miller in asking him to make this call wanted to emphasize that the Department was greatly distressed by what appears to be a growing lack of concern by the Guatemalan Government for the traditional good relations between the two countries. Mr. Wise referred next to the instruction which the Department sent to the Embassy in June ² covering the trend of these developments and placing particular emphasis on the apparent disregard by Guatemala for the rights of legitimate American interests there. Mr. Wise reminded the Ambassador that, as pointed out in this instruction, the U.S. Government was beginning to find it more and more difficult to conduct relations with Guatemala in the same cordial and cooperative spirit which had inspired it in the past since there appeared to be a lack of a reciprocal desire on the part of Guatemala to have relations continued on the usual high plane. Furthermore, Mr. Wise stated that the Department had been extremely disturbed to find that the President's response to the Ambassador's friendly representations was inadequate and unsatisfactory.

The Ambassador referred briefly to the June interview with the President and stated that he too had been most unfavorably impressed by the President's response.

Mr. Wise said that as a result of these circumstances the Department had on July 27 forwarded to the Embassy a new instruction which should now be at hand.³ The Ambassador stated that he had received the instruction, had read it with care, and that he thanked the Department for sending it and for the stand which the Department was taking in this serious matter.

Referring again to the instruction, Mr. Wise stated that the Department was deeply concerned that the dispute between the Inter-

² See instruction No. 80, June 14, to Guatemala, p. 650.

³ *Supra*.

national Railways of Central America and the labor union had not yet been settled and that from information which had reached the Department it would appear that this firm was not receiving impartial justice. He said that in certain parts of the United States public opinion was daily being more and more roused over this situation which was causing the Department seriously to consider withholding certain types of cooperation with Guatemala, including technical aid and funds for projects which are ordinarily of mutual advantage to both countries.

Mr. Wise said that the Assistant Secretary wanted the Ambassador again to call on the President when and if expedient and necessary in the Ambassador's judgment. He added that the Ambassador should speak to the President in accordance with the instruction of July 27 and that he should present to the President an *aide-mémoire* covering the essential points to be made in the interview. Mr. Wise asked that the Ambassador inform the Department if an appointment were made with the President so that Mr. Miller could at the same time have a similar conference with the Guatemalan Ambassador in Washington.

Mr. Wise added that although the point was not covered in the instruction, the Department would like for the Ambassador to inform the President that this Government is quite disturbed over the nature of information that is being given out by certain Guatemalan publications and on certain programs over the Government radio. Mr. Wise emphasized that the information had the tone of a campaign designed to discredit the United States. He asked that the Ambassador tell the President that it was difficult for the Department to understand the biased picture which was being portrayed by this propaganda and that we naturally expect the Guatemalan Government to take action which will ensure fair overall treatment.

The Ambassador said that he appreciated the position which the Department had taken; that because of the apparent unwillingness of the Guatemalan Government to ensure fair treatment for American interests, such interests were in fact being persecuted in Guatemala; and, that the IRCA case had reached the point now where if the injunction appeal pending in the courts is denied, the railway will not be able to function and a serious question of a denial of justice may well develop.

Mr. Wise indicated that he sincerely hoped that negotiations now under way, independent of this Government, might be successful in bringing about a fair solution of the IRCA case and that the Ambassa-

dor therefore would not find it necessary to discuss the matter with the President.

814.504/8-1049 : Telegram

The Ambassador in Guatemala (Patterson) to the Secretary of State

CONFIDENTIAL

GUATEMALA, August 10, 1949—5 p. m.

382. Had talk Arévalo today re IRCA situation (Embtel 378, August 9¹) presenting case as outlined Department's instructions 114, July 27. I stressed urgency preventing consummation legal denial justice, urged him use personal influence toward amicable, just settlement, perhaps through further direct IRCA-SAMF talks with latter taking hint from Government to adopt reasonable attitude. Arévalo promised discuss matter Chief Justice Herbruger,² then do best he can without dictating to judiciary. My impression is his power with labor and political parties now much more limited, but may use such influence remaining in effort to effect solution.³

Arévalo told me confidentially that resignation Muñoz Meany⁴ will be accepted and Ambassador Gonzalez Arévalo named Foreign Minister.⁵ This he said will be step toward improvement overall relations with US. Would like to dismiss Bauer Paiz but prevented by latter's strong political connections. Even removal Muñoz Meany will create trouble for him since Gonzalez Arévalo not member any party.

Also had talk with Arbenz last evening, who, without promising miracles, said he would talk to SAMF leaders "who trust me because they think I am a Communist". Arbenz assured me his utmost desire work for gradual change all adverse situations affecting US interests—cited forthcoming removal Muñoz Meany as first step.

PATTERSON

¹ Not printed.

² Arturo Herbruger, Chief Justice of the Supreme Court of Guatemala.

³ In telegram 436, September 19, from Guatemala, Ambassador Patterson reported a solution to the IRCA problem. The pertinent portion of that telegram read as follows:

"Crisis IRCA-SAMF conflict now believed passed with decision labor appeal court few days ago drastically modifying arbitral award. . . . New award substantially meets company's terms and accepted by union despite bitter opposition train crewmen who still may cause trouble. Bradshaw regards decision best possible existing conditions and has expressed thanks Arévalo and Col. Arbenz their effective intervention." (814.50/9-1949)

⁴ Enrique Muñoz Meany, Foreign Minister of Guatemala.

⁵ Ismael González Arévalo, Guatemalan Ambassador in the United States.

711.14/8-1149

*Memorandum of Conversation, by Mr. Ernest V. Siracusa of the
Division of Central America and Panama Affairs*

[Extracts]

CONFIDENTIAL

[WASHINGTON,] August 11, 1949.

Participants: Sr. Ismael González Arévalo, Guatemalan Ambassador
Assistant Secretary Miller, ARA
Mr. Willard F. Barber, ARA ¹
Mr. Ernest V. Siracusa, CPA

Assistant Secretary Miller received Ambassador Arévalo at 12:00, the latter having called at Mr. Miller's request.

Mr. Miller opened the discussion in Spanish, after an exchange of pleasantries regarding his visit to Guatemala, by informing the Ambassador he regretted very much that their first official meeting involved a disagreeable matter. He said he was concerned with events in Guatemala which make it increasingly difficult for United States enterprise to operate in that country. He said that this matter has become so serious that it is receiving rather widespread attention in the United States and that the net result, although unfavorable to U.S. firms already in Guatemala, was also harmful to Guatemala in that it is discouraging the further investment of capital in that country.

Although the meeting was originally planned to emphasize exclusively the IRCA case, it was decided, in view of reports that Gonzalez Arévalo may be recalled and named Foreign Minister, to broaden the discussion to include other matters of concern in general U.S.-Guatemalan relationships.

At this point, Mr. Miller stated that he wanted to impress the Ambassador with the fact that he views the situation in Guatemala as one of the most pressing economic problems in the hemisphere today. He then guided the discussion to another subject by quite frankly asking the Ambassador to comment upon the reported communist influence in Guatemala. The Ambassador admitted the existence of such influence, which he had first noted strongly in 1946. He said, in commenting upon it, that Guatemala lacks basic education and that the exposure of a Guatemalan to communist doctrine is not the same as the exposure of a Dane, Swede, etc. His implication was that he took a serious view of the matter because this lack of preparation and education rendered Guatemalans more susceptible to demagogic and unrealistic promises.

¹ Deputy Assistant Secretary of State for American Republic Affairs.

He said, in this regard, that Guatemalans like the fine sounding doctrines of communism but that they simply do not understand the ultimate implications. In this regard he mentioned Fortuny, Galich, and Charnaud MacDonald, who, he claims "do not understand" what they are doing. He implied that although he was friendly with these people, he had refused to join their parties because, as he put it, they "do not understand".

He said, however, that once they travel abroad, they return with somewhat modified opinions and are not so extreme. In this regard, he specifically mentioned Galich. (It cannot be recalled how Galich's travels made him any less extreme.)

Mr. Siracusa then mentioned the fact that Fortuny, having visited behind the Iron Curtain, was now proposing agrarian reforms in Guatemala based upon the laws of Russian satellite countries, and that it did not appear that his travels had moderated him. The Ambassador then indicated an awareness of Fortuny's proposals (he mentioned the Polish Agrarian Law), but made no further comment except to discuss the necessity for some reform in Guatemala. He did, however, state that this was not a pressing necessity and that other problems required attention first. His whole attitude seems to be that Guatemala must slow down its reforms until it is prepared for more liberalism by better education.

The Ambassador said he understood the United States' preoccupation with communism, wherever it showed itself, and mentioned the necessity for Guatemala to maintain good relationships with the United States. Here he discussed briefly the economic ties which bind Guatemala to the United States and require it basically to be friendly to the United States.

Mr. Miller then said that he gathered that the Ambassador did not wholly approve of much of what was transpiring in Guatemala and invited his comments.

The Ambassador, appearing to be somewhat surprised but pleased at this candid request, smiled broadly and said "off the record" that it was true. While he did not specifically mention anything concrete about happenings in Guatemala he again stressed the necessity of cooperation with the United States and that while he has counseled this policy he has not had much success. He then commented himself upon the bad reputation which Guatemala was acquiring as a place for capital investment and, at this opportunity, Mr. Miller handed him a copy of a recent article in the *Wall Street Journal*. In doing so he said that he understood many people consider this paper to be the newspaper of "yankee imperialist capital" but that nonetheless, the important thing is that people who might invest in Guatemala are

its readers. With the growth of this opinion, and its publicity in the United States, possibilities of Guatemala's attracting capital which it sorely needs for development are materially lessened. The Ambassador perused the article for a while and appeared to be impressed, and noted the publication date.

Returning again to his opinion about things in Guatemala, the Ambassador referred to the assassination of Arana² and said that he was afraid that there would be others. He commented, in this regard, on Cuban history which underlines the possibility that one assassination will inevitably lead to others. He made no comment, however, on who might have been responsible for Arana's assassination.

Mr. Miller then asked the Ambassador if he had any plans for returning to Guatemala and the latter said that he had heard rumors to the effect that he would be named Foreign Minister, to replace Muñoz Meany. He said, however, that he did not believe the rumors since he was not a member of any political party. (After the meeting, in talking with Mr. Siracusa, the Ambassador said that if offered the position he would not accept it. He said that he would like to improve Guatemalan-U.S. relationships but that lacking political power, and not having any party backing, it would be impossible for him to do anything. This is certainly logical, but it might be wondered how much his decision might be influenced by a lack of faith in the Arévalo government, and his preoccupation with further assassinations.)

Bringing up the subject of technical cooperation with Guatemala, Mr. Miller said that some sentiment had been developed to curtail the IIAA programs but said that he had agreed that such curtailment might be counterproductive. While he did not develop this idea further, it is believed that the Guatemalan Ambassador was impressed with the fact that the Department views the situation as being serious enough to warrant consideration of a change of policy toward Guatemala and a possible withholding of technical aid. At any rate, the Ambassador took this opportunity to mention how much Guatemala needs such cooperation and how valuable it has been in the past.

The meeting was closed on a friendly and cordial note when Mr. Barber recalled, and the Ambassador enlarged upon, the incident of the loss of a marimba in New York by a group of Guatemalan musicians. In closing, Mr. Miller again stated his regret that the meeting had to be concerned primarily with a disagreeable matter and urged the Ambassador to consider the serious view which the Department takes of the progress of events in Guatemala, and the treatment of American capital, as exemplified in the IRCA case.

² See telegram 263, July 21, to Caracas, p. 655.

711.14/9-1449

Memorandum of Conversation, by the Chief of the Division of Central America and Panama Affairs (Wise)

CONFIDENTIAL

[WASHINGTON,] September 16, 1949.

[Participants:] Señor Ismael Gonzalez Arévalo—Guatemalan Ambassador & Foreign Minister Designate
Señor Frank Linares—Counselor, Guatemalan Embassy
Under Secretary Webb
Edward G. Miller—Assistant Secretary, ARA
Willard F. Barber—Deputy Assistant Secretary, ARA
Murray M. Wise, Chief, CPA

At his request, Señor Ismael Gonzalez Arévalo, Guatemalan Ambassador to Washington for the past two years, called on Under Secretary Webb at 11:30 a. m. He was accompanied by Señor Frank Linares, Counselor of Embassy. The Ambassador has been named Guatemalan Minister of Foreign Affairs and is scheduled to leave Washington September 22, to arrive in Guatemala City on the 23rd.

The Under Secretary had been briefed by Mr. Miller on the especially tense political situation in Guatemala, the radical leftist influences there, on the struggle of various private U.S. commercial interests to obtain just and fair treatment in Guatemala, on the association of the Guatemalan Government with the activities of the Caribbean Legion,¹ on Guatemala's failure to date to ratify the Rio Treaty,² and on the lack of friendly cooperation of the delegation of Guatemala at recent sessions of the General Assembly. With notable adeptness and finesse, yet at the same time with convincing forthrightness, the Under Secretary, assisted and supported by Mr. Miller, very effectively got across our feeling that Guatemala currently was not following its traditional policy of cooperation with the U.S. and was indulging in certain undemocratic activities. The Ambassador responded well and gave evidence of complete understanding. The conversation was most cordial and friendly.

Mr. Webb warmly congratulated the Foreign Minister Designate on his new assignment and pointed out that today, in a world where nations have been brought so close together by improved communications and by problems of such a similar nature, the handling of foreign affairs was really a new art and science. He got across that Gonzalez Arévalo was faced with a genuine challenge and responsi-

¹ For documentation, see the Western Hemisphere regional compilation on United States support of Inter-American collective action for peaceful settlement of disputes, with particular reference to the Caribbean area, pp. 437 ff.

² Text in Department of State Treaties and Other International Acts Series (TIAS) No. 1838, and 62 Stat. (pt. 2) 1681.

bility and with an opportunity to help improve relations and co-operation among nations.

Mr. Webb said that, as the Ambassador knew, the U.S. had gone all out for cooperation as a philosophy of government and thought that the Ambassador might like to give some thought to the various ways in which the U.S. was applying this philosophy in practice. He referred in particular to the United Nations organization and to our current efforts with the British and Canadians to devise ways whereby the relationship between and the use of dollars and pounds would help bring greater economic stability to the world—a stability which will form the basis for better government.

The Under Secretary referred to the Rio Treaty as representing a significant step forward in inter-American relationships and expressed the hope that Guatemala soon would find it convenient to adhere to this treaty. The Under Secretary also thought it was worth noting that the U.S. Congress this year had found it much easier than before to approve the extension of reciprocal trade agreements.³

Mr. Webb said that there had been some criticism that the U.S. was tending to abandon its interests in Latin America. He said that this was certainly not true and that the appointment of Mr. Miller as Assistant Secretary of State for American Republic Affairs was an indication of the importance which the U.S. gave to good relationships with the Latin American countries. The Under Secretary stressed the fact that the U.S., together with Mexico, had surmounted very serious difficulties and had brought the two countries into very close and friendly association. He said that if difficulties as grave as those in Mexico could be overcome that certainly our problems with other Latin American countries also could be surmounted and that relationships could be improved and made more effective.

Mr. Webb mentioned the problems which labor often presented in all of our countries and the struggles which private enterprise was having in its fight to earn profits. He added, however, that American business has a lot to learn and that the State Department is aware of this and is not the blind advocate of American private enterprise abroad. He did feel, however, that foreign governments should realize the importance to their own economy of American investments and likewise not approach blindly the problems of capital coming in from outside.

The Ambassador said he appreciated the Under Secretary's point of view, understood and agreed with him. He referred to recent diffi-

³ Legislation for the extension of the Reciprocal Trade Agreements Program had been approved by the House of Representatives in February and by the Senate on September 15; it was signed into law by President Truman on September 26, 1949 (P.L. 307, 81st Cong., 1st sess.; 63 Stat. 697).

culties of the United Fruit Company and others in Guatemala and said that he, for one, had advocated and recommended that the cases be kept from vicious newspaper publicity, but this had seemed to be impossible. The Ambassador agreed with Mr. Webb that government today had an important role to play in bringing about satisfactory relationships between labor and private enterprise.

The Ambassador said that there had been considerable comment among his colleagues about the U.S. abandoning Latin America in favor of Europe, but that he did not believe this to be our policy as was indeed made plain to him through the appointment of Mr. Miller as Assistant Secretary of State. Mr. Barber suggested at this point to the Ambassador that he might wish to repeat that statement to his colleagues whenever he had an opportunity.

The Ambassador pointed out that in reality Guatemala was just experiencing its "new deal" and that the new philosophy of government in Guatemala, while currently creating tensions and turmoil, would by gradual process become more and more democratic in tendency. He said that Guatemala could and would cooperate and that he expects to be a strong advocate of close cooperation. He felt that his government would place a great deal of confidence and responsibility in him and seemed reasonably confident about the possibility of bringing about an improvement of relationships between our two governments.

In concluding the conversation, the Ambassador expressed his appreciation to the Under Secretary and Mr. Miller for the interview. On the way out of the Department, Mr. Linares, the Counselor of the Guatemalan Embassy, told Mr. Wise that the Ambassador's reference to the "new deal" in Guatemala was significant, that it really represented a revolution in thinking and would eventually result in a much more democratic and cooperative government. Linares expressed considerable confidence in the influence which Gonzales Arévalo would have on the Guatemalan Government in his new capacity as Foreign Minister.

814.48/10-2749

The Ambassador in Guatemala (Patterson) to President Truman

CONFIDENTIAL

GUATEMALA, October 27, 1949.

GUATEMALA FLOOD DISASTER

MY DEAR MR. PRESIDENT: In response to your directive of October 21 that I visit Guatemala and report back promptly to you my

findings and recommendations as to the damage to life and property caused by the recent flood disaster, I submit the following:

Dead and Homeless: The rain storms (claimed to be the worst in the history of Guatemala) started September 28 and ended October 14, 1949. Damages were severe but not catastrophic.¹ 500 to 1000 persons are dead and a maximum of 20,000 homeless. Immediate relief needs were taken care of by mobilizing available resources, supplemented by supplies sent by the American Red Cross and other outside sources. The country faces an emergency period of 30-60 days. The estimated homeless population of 20,000 persons must be fed and sheltered and supplies distributed in large part by air until other means of communication can be restored. Food, clothing and medical supplies already in Guatemala and contracted for abroad seem adequate for immediate needs. No epidemics are likely.

Crop Losses: Coffee and banana crops, the two chief exports, suffered losses of ten and twenty percent respectively. Corn, beans and rice crops suffered severely and increased imports will be necessary. Livestock losses also were considerable.

Communications: Trunk roads were rendered impassable by wash-outs and landslides in most areas. Large outlays of funds will be required to restore highways to normality. The railway system suffered damages estimated at one million dollars; but normal service should be restored by November 6. The purchase of machinery, hand tools, foodstuffs and seeds and their distribution present a knotty problem in procurement and organization.

Finance: The chief problem confronting the Government, however, is long range financing, since foreign exchange holdings will be diminished and Government spending increased at a time when a budget deficit is in prospect.

Recommendation:

While urgent relief needs have been provided, I recommend we give further Red Cross aid during the period of rehabilitation and this the Red Cross is prepared to do. Additional aid in the form of foodstuffs, etc. requested by the Guatemalan Emergency Committee would be an effective good will gesture, and would appear desirable politically in

¹ The first sentence of Ambassador Patterson's telegram 490, October 26, from Guatemala to the Department of State read as follows:

"My impression based upon three-day intensive survey including long flight over affected areas, talks with President Arévalo, other government officials and representative businessmen, is that devastation and loss life result floods exaggerated by press (encouraged intentionally or unintentionally by government). that immediate relief needs well in hand, but that country suffered heavily economically and government confronted serious long-range financial problem respecting rehabilitation." (814.48/10-2649)

view of our published statement that we wished to render every possible assistance.²

When, as, and if the Guatemalan Government makes application for a loan, it is recommended that consideration be given the request, provided that:

(a) the Guatemalan Government takes positive concrete measures to halt the persecution of American interests and to insure them fair treatment, and

(b) any funds so granted be earmarked in detail and their expenditure be under strict U.S. control.

For details, please see Exhibits A through H-A. Photographs comprise Exhibits I through V.³

Respectfully yours,

RICHARD C. PATTERSON, JR.

² The text of a statement by Secretary of State Acheson on October 26 is printed in the Department of State *Bulletin*, Nov. 7, 1949, p. 712.

³ Not printed.

711.14/11-949

Memorandum of Conversation, by the Officer in Charge of Central America and Panama Affairs (Wise)

CONFIDENTIAL

[WASHINGTON,] November 9, 1949.

Participants: Sr. Don Ismael Gonzalez Arévalo, Guatemalan Foreign Minister.

Sr. Frank Linares, Chargé d'Affaires ad interim, Embassy of Guatemala.

James Webb, Acting Secretary.

Richard C. Patterson, Jr., American Ambassador to Guatemala.

Murray M. Wise, Officer in Charge, Central America & Panama Affairs.

Mr. Webb very warmly and courteously received the Foreign Minister, recalling at the outset their previous conversation September 15 [1949]. The Minister was happy for the occasion to see Mr. Webb again and to thank him and other interested Government officials in the name of the Government of Guatemala for the immediate relief assistance which the United States Government and the American Red Cross had extended following the severe recent flood. He was particularly grateful for the President's personal interest in the flood and for his sending Ambassador Patterson to Guatemala on a special survey mission.

Mr. Webb stated that, as the Ambassador knew, the President had now received a personal report from the Ambassador on the flood.

The Minister replied that he was well aware of this and hoped to have an appointment with the President within the next few days to express gratitude for the Ambassador's mission.

Mr. Webb then referred to the conversation of September 15 during which our philosophy of cooperation among governments was discussed. The Minister remarked that he remembered the conversation quite well and agreed thoroughly with what Mr. Webb had said. At this point, Mr. Webb stated that we had been deeply concerned over the treatment in Guatemala of American business during recent past months—treatment which we considered unfair and unjust. Mr. Webb asked if the Minister had noticed any improvement in attitude toward American business. The Minister replied that, of course, he had been in office only a little over a month and, accordingly, had had little occasion to do a great deal about the situation. He admitted, however, that he also was greatly disturbed and hoped shortly to effect a change in the situation.

Upon leaving Mr. Webb's office, both the Minister and Mr. Linares expressed their gratitude for the interview which they felt had been most friendly.

Before the interview with Mr. Webb, the Minister voluntarily, and without inquiry on my part, stated that he was aware of a great deal of speculation concerning his visit to Washington and that in many circles it was believed he had come to seek a loan. He said that this was not true, that he had come primarily to thank the U.S. Government for the prompt relief assistance offered Guatemala after the flood. He said that Guatemala's actual rehabilitation needs were not yet known and that while he was here he hoped to get advice concerning the best methods for specifically determining them and how aid could best be obtained from the U.S. if needed. According to him, the Guatemalan Government, in the coming weeks, will decide whether or not it should approach the World Bank for a credit with which road equipment, farm machinery, livestock and other necessities could best be acquired. He emphasized the fact that his Government in any event would not ask for the outlay of a lump sum of money but rather an extension of credit, the use of which would be entirely supervised by the U.S. Government.¹

¹ No request was received, prior to the end of 1949, from the Guatemalan Government for the extension of a credit from the U.S. Government.

MEXICO

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND MEXICO¹

812.51/3-2849

*Memorandum of Conversation, by the Chief of the Petroleum Division
(Eakens)*

CONFIDENTIAL

[WASHINGTON,] March 28, 1949.

Subject: Concluding Meeting For The Time Being on PeMex
Proposal for U.S. Government Financing

Participants: Senator Antonio J. Bermudez, Director General,
Petroleos Mexicanos (PeMex)
Señor Jose Colomo, PeMex
Señor Ortiz Mena, PeMex
Señor Rafael de la Colina, Mexican Ambassador
Señor Justo Sierra, First Secretary, Mexican Embassy
Mr. Thorp—E
Mr. Reveley—MA
Mr. Malenbaum—ED
Mr. Eakens—PED²

Mr. Thorp began the meeting by asking Mr. Eakens to summarize the developments since the first meeting in his office with the Mexican group on March 15. The following developments were noted: At a meeting on March 16 Senator Bermudez discussed the revised PeMex proposal with representatives of Commerce, Interior, Eximbank, NSRB, and State. Following that meeting Senator Bermudez presented to the Department several copies of a statement³ setting forth the revised PeMex proposal, which calls for U.S. Government financing of \$203,430,000.⁴ Copies of this report were delivered to the agencies that participated in the March 16 meeting. On March 24, Messrs. Reveley, Cady⁵ and Eakens of the Department discussed the report

¹ For previous documentation, see the compilation on discussions concerning United States participation in development of Mexico's oil resources in *Foreign Relations*, 1948, vol. ix, pp. 603 ff.

² Respectively, Willard L. Thorp, Assistant Secretary of State for Economic Affairs; Paul J. Reveley, Chief of the Division of Mexican Affairs; Wilfred Malenbaum, Chief of the Division of Investment and Economic Development; and Robert H. S. Eakens, Chief of the Petroleum Division.

³ Not printed.

⁴ In a letter, not printed, to Mr. John R. Steelman, Assistant to President Truman, dated March 25, 1949, Mr. Thorp indicated that the proposal made by PeMex in August 1948 had called for a loan of \$470,000,000 (812.6363/2-2549).

⁵ John C. Cady, Assistant Chief of the Division of Investment and Economic Development.

and various aspects of the problem with Senator Bermudez and the Mexican group. At the last of these meetings the Mexican group was informed that the proposal for \$203,430,000 of Government financing of oil projects in Mexico raised some very large issues that would require time for their resolution. The issues mentioned were the question of the availability of private capital for projects of this kind, the fact that loans have not previously been made on a large scale for oil development projects since it was considered that such projects represented an appropriate field for private capital, and that the loan suggested is, with the exception of the loan to France, as large if not larger than any loans made by the Eximbank.

After the summary of developments, Mr. Thorp then took up the question of the procedure to be followed in the future. He expressed the view that since the problem is one requiring consideration not only by the Department but also by other agencies of the Government, and considering the fact that high officials of some of the agencies concerned will be engaged in other important matters in the immediate future, developing a U.S. Government view will be a matter of several weeks. Both Senator Bermudez and the Mexican Ambassador emphasized the importance of an early decision on this question and implied that Senator Bermudez's stay in Washington would be determined by the time required for the Department to give him a reply. In commenting on the time it will take to handle the problem, Mr. Eakens suggested six to eight weeks as a minimum, and Mr. Malenbaum concurred in this time period for the balance-of-payments and other economic questions involved. Mr. Reveley, however, said that he thought the policy aspects of the problem might separately be resolved in a shorter period. When it was apparent from the comments that an early statement of the U.S. attitude toward the Pemex proposal was not obtainable, the Mexican Ambassador suggested the possibility of an exchange of notes or a statement to the press indicating that this and the previous discussions had taken place and that the Pemex proposal is being sympathetically considered by the U.S. Mr. Thorp indicated the danger, both from the standpoint of the U.S. and Mexico of any statement at this time that might be misinterpreted. The matter was left that the Department would see what it could do about a statement which would state the facts in a completely objective way but at the same time show that there has not been any failure on the part of Senator Bermudez's discussions during his present visit.⁶

Mr. Thorp referred to the question of the claims of American citizens arising out of the expropriation which as yet have not been compensated. Without giving any support to claims that are not valid, he said that if there are valid claims that have not been compensated

⁶ For the text of a statement issued by the Department of State on March 31, see Department of State *Bulletin*, April 10, 1949, p. 466.

this might well be a source of opposition to consideration of the Pemex proposal. Senator Bermudez said that Pemex intends to pay all such valid claims, is paying them as they are established, and that about half of such claims already have been settled. In the discussion the Sabalo Transportation Company case⁷ was the only one receiving specific mention.⁷

There was some discussion of the statement which has been submitted setting forth the revised Pemex program. This discussion was with reference to the adequacy of the statement from the standpoint of the relationship of the various projects, the feasibility of the program, and its general economic aspects. It was indicated that although the relationship of the various projects as such is reasonably clear, some additional information regarding the priority of the projects would be useful, that a breakdown of the program into quarters for the three-year period would also be useful and is needed in order to show just what materials, equipment and money would be required on a running basis, and that considerable economic information on the contribution the program would make to the Mexican economy and how it would affect the Mexican balance of payments, including the feasibility of the loan from the standpoint of its repayment in foreign exchange, is needed. Senator Bermudez indicated willingness to supply any additional information which might be desired and said that he could supply it while in Washington on his current trip. He was informed later, however, that an effort would be made to resolve the general aspects of the problem without any further information at this time. It was indicated that the Department appreciated the urgency of the matter and would proceed with it as rapidly as possible.

⁷ For information on the Sabalo case, see the letter, dated September 16, 1949, from Secretary of State Acheson to Congressman John Kee, Department of State Bulletin, October 10, 1949, p. 553.

812.51/5-2349

Memorandum by the Assistant Secretary of State for Economic Affairs (Thorp) to the Under Secretary of State (Webb)

[WASHINGTON,] May 23, 1949.

The arguments in favor of making a loan to Pemex as desired by Senator Bermudez involve, of course, the general problem of goodwill as between the United States and Mexico. More specifically, the great urge for the expansion of the Mexican oil industry developed during the period of oil shortage some months ago. It is still true that from the point of view of national security, it is desirable to develop Mexican oil although it is obvious any steps which are taken must not jeopardize the operations of private companies in Venezuela and their

possible development in other Latin American countries, such as Brazil. On the economic side, it can be argued that the Mexican balance of payments is in bad shape and that their situation can be improved substantially merely by their meeting their own requirements for petroleum products.

On the other side, there is the general ideological argument of the extent to which United States Government funds should be used to support government enterprises in fields where private operations which reached a high level of efficiency and where private capital would be available under appropriate circumstances. A specific fear is that U.S. support for Pemex would encourage the use of government ownership in other areas in Latin America and might even encourage a country like Venezuela to indulge in expropriation. On Friday¹ an interdepartmental meeting at the working level, with final positions reserved for several agencies, appeared to reach the general conclusion that there should not be any loan on an unconditional basis in view of the possible danger to oil operations in other countries. However, it was the general sense of the meeting that it might be possible to work out a solution whereby certain facilities would be financed in connection with transportation or refining, providing the Mexican Government would undertake to establish on a clear legal basis that the development and exploration work would be done by private enterprise. It was the initial judgement of the group that such an arrangement would not jeopardize the operations of the private companies in other areas.

It would be noted that the above approach is directly contrary to that advanced by Mr. Crosser² who feels that exploration and development should be in government hands and that the later steps of transportation, refining and distribution might be more appropriately done by private enterprise.

¹ May 20, 1949.

² Representative Robert Crosser, Chairman of the House Committee on Interstate and Foreign Commerce.

812.6363/5-2349

Memorandum by the Under Secretary of State (Webb)

[WASHINGTON,] May 23, 1949.

MEETING WITH PRESIDENT, MONDAY, MAY 23, 1949

EXPORT-IMPORT BANK LOAN TO PEMEX

The President is very anxious that we do something to help with the problem of oil development and production in Mexico. He men-

tioned a figure of 160,000 barrels per day as a desirable level to encourage. He feels that unless something is done expeditiously the peso will lose its value and undermine the government, leading to conditions which would be highly undesirable from the standpoint of the United States. He understands the reasons why we cannot accept Mr. Crosser's view and agrees that we cannot make a loan on an unconditional basis.

The President is anxious that we proceed as expeditiously as possible to develop a solution to this problem along the lines we are working and indicated that arrangements under which certain facilities connected with transportation and refining should be financed would probably be satisfactory.

The President expressed himself as feeling that the fastest way to get development was to have private companies provide the technical know-how and create the conditions under which they could go in and accomplish the necessary development.

JAMES E. WEBB

S12.51/7-649

*The Department of State to the Mexican Embassy*¹

AIDE-MÉMOIRE

The Department of State refers to conversations last Spring between His Excellency Señor Don Rafael de la Colina, the Mexican Ambassador; Senator Antonio J. Bermudez, Director General of Petroleos Mexicanos; other officials of the Mexican Government, and officials of the Department of State and other agencies of the United States Government, on the subject of financial assistance to Petroleos Mexicanos by means of loans of United States public funds for the development of the petroleum resources of Mexico, including the construction and modernization of facilities. The Department of State, together with the Export-Import Bank and other interested agencies of the United States Government, has accorded this subject detailed study and examination and is now able to inform the Mexican Government of the views of the United States Government in regard to this matter.

It is the considered opinion of the United States Government that the history of the development of the world's petroleum resources indicates that this industry is a field most appropriate for the operation of private enterprise. It is believed that this is particularly evident in exploration, development and production activities and that the industry has developed most rapidly and most successfully where

¹ Handed to Ambassador de la Colina by Mr. Webb, July 6, 1949.

private organizations have been permitted to conduct these operations on a competitive basis. It understands that private companies are prepared to enter in the development and production of Mexico's oil resources when satisfied that they can do so on a legal basis and with prospects of returns commensurate with the magnitude of the enterprise and the risks involved.

The United States Government has always been sympathetic toward programs for the economic betterment of Mexico and has been disturbed by recent economic and monetary difficulties which Mexico has experienced. It is also fully aware of the contribution that an accelerated development of the Mexican petroleum industry could make to the overall prosperity of Mexico and is happy to observe the formulation by Mexican authorities of a comprehensive program for petroleum development. The Government of the United States is prepared to consider applications for financial assistance in regard to certain types of projects under the following conditions:

The United States Government, through the Export-Import Bank, will consider applications by Pemex for financial assistance in the construction of refining, transportation and other distribution facilities in Mexico, provided that Mexico will take steps to assure an increase in oil production in Mexico through increased participation by private companies, including foreign companies. It is the view of this Government that a prerequisite to such increased participation by private companies is appropriate action by the Mexican Government which would provide an accepted legal basis for such private companies to undertake exploration, development and production activities at their own risk.

The United States Government, on its part, is prepared to implement this policy through a step-by-step procedure in which action by one government follows upon action by the other. In such a cooperative approach to the problem it would seem that the first essential step is agreement by the United States and Mexican authorities as to the basic policy. It would be desirable that this agreement be announced by the two governments. In any event, the United States Government considers that it must be free publicly to state the basis of its policy.

Following agreement on the basic policy, the United States Government considers it desirable that legal action be taken by the Mexican Government, such as Congressional approval of the *Compañía Independiente Mexicana-Americana* contract, or specific action establishing the legal basis under which private companies, including foreign companies, can explore, develop and actually produce oil in Mexico, coupled in either case with the signing of additional contracts with other foreign concerns.

In case the Governments of the United States and Mexico agree as to basic policy, the United States Government, through the Export-

Import Bank, is prepared to accept and consider an application for a loan for a refining or a transportation facility. This application would, of course, be considered on its merits and would be for a relatively small project which would be economical even without an increase in the production of crude petroleum in Mexico.

Upon satisfactory progress in carrying out the foregoing measures, the United States Government would then be prepared to consider further loans to the Mexican Government for similar facilities. The scope of such additional loans, assuming that they are economically justifiable, would vary with the comprehensiveness of the action taken by the Mexican Government in achieving an expansion in oil production through increased participation of private companies.

As previously discussed by Assistant Secretary Thorp with Senator Bermudez during his recent visit to Washington, several American individuals and companies have royalty and other claims against the Mexican Government based on investments made several years ago in the Mexican petroleum industry. Some of these, particularly one large claim, have not been adjudicated and settled. The speedy settlement of these claims, or adjustment of rights, would be one of the ways by which the Mexican Government might indicate its attitude towards private capital in the field of petroleum exploration, development and production and would unquestionably be one of the elements in evaluating the steps taken by the Mexican Government.

The United States Government believes that a program of equitable collaboration, as outlined in the above paragraphs, and carried out in the atmosphere of the friendly relations existing between the two nations, would result in the realization of the objectives desired by Mexico in the intensified development of its petroleum resources.

WASHINGTON, July 6, 1949.

812.5151/7-1449

The Chargé in Mexico (Wheeler) to the Secretary of State

CONFIDENTIAL
No. 900

MEXICO, D. F., July 14, 1949.

Subject: Immediate Results of Stabilization of Mexican Peso and Prospective Developments

SIR: I have the honor to refer to despatches No. 434 of March 4, 1948,¹ No. 484 of March 11, 1948,² No. 1308 of August 5, 1948,³ and No. 462 of March 31, 1949,² all expressing pessimism as to the possibility

¹ *Foreign Relations*, 1948, vol. ix, p. 620.

² Not printed.

³ *Foreign Relations*, 1948, vol. ix, p. 624.

of achieving a fundamental equilibrium in the Mexican balance of international payments and to report herewith concerning the results of the establishment of a new par value on June 18, 1949, so far as the effects and probable consequences are ascertainable at this date. The Embassy believes that the consequences have been beneficial and is now optimistic as to the probability of achieving equilibrium in the Mexican balance of international payments even in the face of a possible further gradual decline in the general United States price level of 10 or even 15 percent. Should there be a rapid and severe business recession in the United States, however, the consequences to the Mexican economy in common with those of all western countries would be exceedingly grave.

The views expressed herein are based principally upon the Embassy's observations but also upon a conversation between officers of this Embassy with the Sub-director of the Bank of Mexico, Sr. Rodrigo Gómez, on July 13, 1949.

Balance of Trade

It is as yet too early to obtain concrete data as to the effect of the 8.65 rate on exports and imports or on tourism. The full effects will not be apparent for two or three months. A wave of cancellation of orders in the United States occurred immediately after June 18, 1949 as has happened after each previous severe change in the exchange value of the Mexican peso. Business in Mexico is still not completely adjusted to that change. Officers of this Embassy agree with Sr. Gómez that the principal effect will be felt in the reduction of imports into Mexico, in spite of the relative inelasticity of those imports, rather than in the increase of the volume of exports from Mexico. The Mexican Government intends to maintain the 15 percent export surtax, with respect to which substantial and extensive reductions were recently granted, and to continue the policy of considering requests for reduction of the tax on an individual commodity basis.

Sr. Gómez is impressed by the seasonality of Mexican exports and has referred to the loss of 35 million dollars in reserves in July 1947 and of 25 million dollars in July 1948. Since the cotton crop at Matamoros has not yet begun to be exported in any considerable volume, Sr. Gómez expects some loss of dollar reserves during the balance of this month. This does not accord with the Embassy's information obtained from private bankers as to the present supply of dollars available in Mexico. The Embassy has not shared Sr. Gómez' previous perennial optimism nor does it now share his present pessimism. Both parties, however, are in complete agreement that, before the end of the summer, a firm equilibrium will have been reached. Consequently, it is believed that the reserves of the Bank of Mexico will increase even

to the point of permitting the repurchase by Mexico, within a year, of a portion of the 37 million dollars in pesos purchased by the United States Stabilization Fund under the previous Stabilization Agreement with Mexico.⁴

The Bank of Mexico has made no balance of payments projection for 1949. Sr. Gómez expressed distrust with the results of any such study in the face of present uncertainties.

Repatriation of Mexican Capital

Of approximately 100 million dollars held in United States banks by Mexican residents, Sr. Gómez estimates that 70 million dollars consists of balances held there by Mexican enterprises for perfectly normal business uses, and funds held by wealthy Mexican businessmen or politicians against other contingencies. That 70 million dollars, he believes, would not return to Mexico regardless of exchange profits. Thirty million dollars is estimated to represent flight capital, and even in periods of panic, flight capital never exceeded this amount, in the opinion of the Bank of Mexico. Since the normal inflow of foreign exchange into Mexico is of the order of 50 million dollars per month and the outgo the same, the flight capital represents only 5 percent of annual dollar volume.

Sr. Gómez has often been asked how long a period he thinks the 8.65 rate can be maintained. He has refused to answer that question and has also said that the support of the International Monetary Fund and the United States Stabilization Fund is not for a definite term. Sr. Gómez does not think that much of the 30 million dollars "hot money" will return nor does he desire that it return unless the repatriation be very gradual. If it should return, it would increase bank deposits and the banks would certainly expand their loans based on those deposits. Since the possessors of "hot money" would be quick to withdraw those funds on the least apprehension, it creates the possibility of private banks exceeding their proportional reserve, and calling on the Central Bank for assistance. He does not want this to happen and therefore does not want to encourage the return of these funds.

The Embassy, however, has been informed that already some repatriation of Mexican capital is taking place. The slowness may be accounted for by the fact that some of the owners of that capital are

⁴ For the text of a press statement issued by the Treasury Department concerning the United States-Mexican stabilization agreement executed on May 13, 1947, see Department of State *Bulletin*, May 25, 1947, p. 1043.

Under date of June 27, 1949, Mr. George H. Willis, Director of the Office of International Finance, Treasury Department, transmitted to Secretary of State Acheson copies of a stabilization agreement entered into by the United States and Mexico on June 17, 1949, supplementing and modifying the stabilization agreement of May 13, 1947 (812.5151/6-2749).

looking for good buys in real estate or business enterprises. In addition, there is undoubtedly a feeling in some quarters that the 8.65 rate is none too secure and the owners are awaiting further developments.

In connection with the related question of new American capital investments in Mexico, the Embassy has observed a similar slowness. For example, the Stetson Company of Philadelphia has for nearly two years been considering a \$50,000 investment in a hat finishing plant here to be followed by a \$200-300,000 investment in a complete plant. They had been waiting for the stabilization of the Mexican peso, but now, in view of the constant import license difficulties and the fear of being cut off from their United States raw materials, the Stetson interests have just reached an agreement with their principal Mexican competitors, Tardan, for the manufacture of Stetson hats in Mexico under license.

As the Armour Research Foundation has pointed out, the problem of increasing American capital investments in Mexico is like opening a safety deposit vault. One of the keys is the stabilization of the peso; but other keys must also be turned before the door will open.

The Mexican Federal Budget

Considering that previous unbalanced Mexican budgets, facilitating over-ambitious capital development programs, have contributed powerfully to the previous fundamental disequilibrium in the Mexican balance of international payments, it was very encouraging to hear from Sr. Gómez that the same relationship between expenditures and receipts has been maintained in the second quarter of 1949 as was maintained in the first quarter when there was a surplus of 88 million pesos. Sr. Gómez stated that he could not yet supply the definitive figures for the first half of 1949, but was confident of the accuracy of his general impression that there was no deficit. He added that the holdings of Government bonds by the Bank of Mexico had declined by 90 million pesos in the first six months of 1949.

Silver Sales and the Prospective Silver Market

The increasingly healthy status of the reserves of the Bank of Mexico, reported each week by the Embassy, is in large measure owing to the sale of Mexican silver to other countries for coinage, thus producing dollars which may be counted in the foreign exchange reserve. The prospects for continuing to sell substantial amounts without affecting the world market price are quite good, despite the fact that the Saudi Arabian Government did not take up its option for the purchase of an additional 7 million ounces.

In addition to the first lot of 10 million ounces sold to the Bank of America for the Chinese Government and minted in Philadelphia, the Bank of Mexico has sold an additional 10 million ounces directly

to the Chinese Government, for which payment has been received, and a further 2,150,000 ounces to the Chinese Central Bank, after negotiation with the Bank President now in the United States, for which payment will be made through the Federal Reserve Bank of New York. These sales consist of bar silver and will be delivered at Philadelphia. This raises total sales during 1949 of silver for coinage abroad to 36,150,000 ounces valued at about 25.8 million dollars.

There is now under discussion a third lot of 10,000,000 ounces to be sold to the Chinese Government. The Bank of Mexico is prepared to agree to the arrangement proposed by the Chinese Government, under which a revolving credit of 2.5 to 3 million dollars would be established in New York, payments to be made therefrom as silver is delivered.

The Bank of Mexico is trying to sell silver to Shanghai interests through New York bankers. The Bank of Mexico has also suggested to the Israeli Government the minting of fractional silver currency, for which there might be a demand from coin collectors and Jews throughout the world. The Mexican Government is disposed to mint the coins without charge in order to dispose of the silver. Only small amounts of the new 1-ounce silver pieces have been sold, since technical difficulties have impeded minting of adequate supplies and have prevented acceptance of larger orders.

Sr. Gómez considers that the prospects are good for maintaining the present world market price of 71.5 cents per ounce. First, the seasonal demand by American silversmiths will begin in August. Second, the large stocks on hand elsewhere are not a present threat to the price. The Allied occupation authorities in Japan have 70 million ounces but have not agreed upon the distribution among themselves. The Cuban Central Bank has 60 million ounces in old Cuban silver pesos now no longer needed for reserve against notes but they will not sell below $71\frac{3}{4}$ cents per ounce and would prefer to use the silver for fractional currency to replace United States silver coins now in circulation. Finally, there is little silver elsewhere available as attested by the fact that five London brokers contracted to sell 10 million ounces to China (for sterling obtained at \$2.67 in Hong-kong) but were unable to find more than three million ounces.

To sum up, the prospects for further sales at a good price are excellent, with consequent beneficial effect to the reserves of the Bank of Mexico. To complete a resumé of the silver situation, it is necessary only to refer to the domestic policy of the Mexican Government. The Bank of Mexico is not calling in either 5-peso or 1-peso coins although it does not contemplate further coinage, deeming the present supply adequate; it will continue to buy demonetized 0.720 coins at 1.70 pesos,

although it is getting only small amounts at this price; and it does not fear large scale contraband movements of silver out of Mexico.

Foreign Debt Service

The Embassy representatives had in mind the peak load of the foreign debt service next October when 8.7 million dollars is due on account of the British-Dutch petroleum expropriation and 2.5 million dollars on account of American claims. They did not raise the question of what preparations are being made to meet those obligations, but Sr. Gómez did say that under the existing commercial agreement with Spain there is a balance owing to Mexico of some 5 million dollars, of which payment may be requested on September 27, and that Mexico would probably demand payment and was confident that Spain would pay.

Significance to American Exporters

The Embassy believes that an equilibrium will be established in the Mexican balance of international payments and that business may be conducted in fairly complete assurance that the 8.65 rate can be maintained for a considerable period of time, assuming no fundamental change in the United States market or price level. But this is small comfort in view of the virtual certainty that it will be an equilibrium reached at a low level as measured in terms of the dollars paid for United States exports to Mexico. In addition, the share of European suppliers in the Mexican market is likely to increase owing to barter agreements and the increasing availability of supplies from that region. Finally, it is believed that further restrictions will be imposed by Mexico upon private international trade, particularly through the addition to the present import prohibitions of some quantitative regulations, and also through higher tariffs if the trade agreement with the United States should be terminated. Stability will be achieved, but it will probably be in a contracting rather than an expanding economy so far as American interests are concerned.

Respectfully yours,

For the Chargé d'Affaires a.i.:

LEW B. CLARK

Commercial Attaché

812.51/7-2149

The Mexican Embassy to the Department of State

[Informal Translation]

AIDE-MÉMOIRE

The Mexican Embassy acknowledges receipt of the *aide-mémoire* of July 6, 1949, from the Department of State, concerning the application

of Petroleos Mexicanos to obtain from the Export-Import Bank a loan for the purpose of extending and modernizing petroleum installations in Mexico. The Embassy desires to inform the Department of State of the result of the careful study which the Ministry of Foreign Affairs, together with other agencies of the Mexican Executive, has given to said *aide-mémoire*.

The Ministry of Foreign Affairs regrets that the Government of the United States, in making its study and decision on the Export-Import Bank loan application—an application which had an exclusively economic and financial character—has found it necessary to take into account other aspects of a political nature which, in the concept of the Ministry of Foreign Affairs, are completely foreign to the question at hand. In this respect, it is necessary to note that the memorandum from the Department of State constitutes—within the friendship and the good neighbor policy which unite Mexico and the United States—a deviation from the principle which has guided the attitude of the two Governments in their mutual relations: to consider each matter in accordance with its individual characteristics. This principle has been especially applied to loan applications, which have been examined in the light of the intrinsic merits of the projects for the realization of which the funds were destined. Such was the case of the ten million dollar loan granted to Petroleos Mexicanos by the same Export-Import Bank under contract signed March 2, 1944, providing the funds used for the construction of the Atzacapotzalco refinery, which, together with interest, has been paid off punctually and faithfully up to the sum of seven million dollars and will be completely liquidated by August of next year, in accordance with the contract under reference.

The connection which the Department of State makes in the memorandum being replied to between two questions independent from one another (the Petroleos Mexicanos loan and the petroleum policy of the Government of Mexico) and the desire clearly expressed in that document to subordinate the granting of all financial aid to Petroleos Mexicanos to the condition that the Government of Mexico adopt or orient her policy in petroleum matters in a predetermined direction, have convinced the Government of Mexico of the uselessness of continuing negotiation for said loan, since the granting of any loan in these conditions would constitute for the Government of Mexico and for the country itself the abandonment of an elemental right: that of deciding the policy which in petroleum matters or in any other matter of an exclusively internal nature must be determined peremptorily by the Mexican Government and people.

The Government of Mexico is not unaware of the natural interest which the Government of the United States may have in the protection

of the investments of its nationals abroad; equal concern, and if possible even greater since it has to do with questions of a more delicate nature, has the Government of Mexico in other problems pending between both countries, without, despite its great and justified interest, the Government of Mexico ever having asked from the Government of the United States any action which is not in accordance with the practices of the good neighbor policy and in concordance with International Law.

As a result of the position assumed by the Government of the United States in its *aide-mémoire*, the Government of Mexico withdraws, in the present circumstances, the loan application, since its desire and understanding was always that that loan be examined in the light of economic and financial considerations and taking into account the guarantees and assurances of the same character which Petroleos Mexicanos could have and, in fact, did offer.

With respect to the part of the memorandum relating to private investments, the Government of Mexico considers it is opportune to make it clear that her legislation does not exclude this type of activities as is shown by the contracts which Petroleos Mexicanos recently entered into with North American companies and those of the same type which are at present being negotiated, within the fundamental policies of Mexico and in accordance with existing legislation. Those contracts exclude the possibility of recurrence of situations such as those which took place beginning on March 18, 1938.

It is a source of legitimate satisfaction for the Government of Mexico to be able to express that the criterion which has guided her efforts to increase the country's petroleum production has been not only to benefit her own economy but also to respond to the necessities of international cooperation, which do not appertain precisely and directly to the lucrative ends on which the history of the world's petroleum resources is based but, on the contrary, to the community of purposes which animates the governments in their mutual relations, especially the American Governments.

The last paragraph of the memorandum under reference seems to refer particularly to the case of the Sabalo Transportation Company. This matter is at present under the decision of the Supreme Court of Justice of the United Mexican States, and no reason is seen for mixing it up even indirectly with an application for a loan to finance industrial activities. Nevertheless, the Department of State has doubtless received reports from Ambassador Walter Thurston to the effect that the Government of Mexico, long before receiving the memorandum under reference, indicated that it perceived no objection to the holding of conversations between the company and Petroleos Mexicanos for the purpose of studying conditions under which that com-

pany could cooperate in petroleum development in Mexico. These conversations have already begun between the Director General, Antonio J. Bermúdez, and Mr. Sam Katz, in the name of Sabalo.

WASHINGTON, July 18, 1949.

812.51/7-1949: Circular telegram

*The Secretary of State to Certain Diplomatic Offices in the American Republics*¹

RESTRICTED

WASHINGTON, July 19, 1949—7 p. m.

Re application Petroleos Mexicanos loan US funds for development Mex petroleum resources.

Dept and MexFonOff issued joint press release today 4:00 p. m. worded as follows:

“United States and Mexican Government officials have continued their study of the subject of a loan of United States public funds for the development of Mexican petroleum resources and for refining and distribution facilities.

These conversations have not to date resulted in an understanding between the two governments on a basis under which the desired financial aid would be extended.

The conversations have now been suspended at the request of the Mexican Government without prejudice to their resumption in the same spirit of friendly cooperation in which they have been carried out”.

Fol for your own info: Dept proposed to MexGovt in *aide-mémoire* July 9[6] that loans would be considered for refineries and pipe lines when larger production effected and if otherwise economically justified provided Mex establishes or clarifies necessary legal basis and actually permits private oil company operations in exploration, development and production. On July 18 MexGovt officially requested loan application be considered as withdrawn. However, MexAmb Washington at same time orally stated his Govt still exploring possibilities toward reaching agreement. Depts position in essence no loans public funds for exploration, development and production petroleum resources abroad as private capital available where terms offered commensurate with magnitude of enterprise and risks involved. This position also applicable to loans for refineries and transportation facilities although USGovt prepared to consider exception in case Mex because of proximity and other factors, should private capital be

¹ Sent to the Embassies in Argentina, Brazil, Chile, Colombia, Peru, and Venezuela.

permitted entry on accepted legal basis and in fact so participates on scale and under terms assuring appreciable increase Mex production of crude.

Further info fol soon by agam or instr.² Pls airmail local press or other reaction to above quoted release.

ACHESON

² A circular instruction was transmitted by the Department on August 19, not printed (S12.51/S-1949).

Editorial Note

On August 1, 1949, the United States and Mexico concluded in Mexico City an agreement concerning the temporary employment of Mexican agricultural workers in the United States. A copy of the agreement was transmitted to the Department under cover of despatch No. 935 from Mexico, August 10, 1949, not printed (S11.504 Mexico/S-1049). For the text of a press release on the agreement, see Department of State *Bulletin*, August 29, 1949, page 313, and for further background, see *ibid.*, July 18, 1949, page 43. The agreement replaced a previous one dated February 21, 1948, for information concerning this agreement see the editorial note printed in *Foreign Relations*, 1948, volume IX, page 645.

S12.51/S-1949

Memorandum by the Assistant Secretaries of State for Economic Affairs (Thorpe) and American Republic Affairs (Miller) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] August 18, 1949.

Since the receipt of the Mexican reply, withdrawing their request for a loan in view of the conditions specified in our earlier *aide-mémoire*, there have been no formal developments with the Mexican Government on this matter. The Mexican Ambassador has indicated informally that his government is considering compromise proposals. It is also understood that the President of Mexico¹ in his annual report to the nation will incorporate statements designed to facilitate agreement between us. Meanwhile it has been learned unofficially that the Mexican Government is continuing actively long-standing negotiations with one or two additional U.S. oil companies on contracts similar to the Pauley contract for the conduct of exploration and development operations in Mexico.² The signing of such contracts would

¹ Miguel Alemán Valdes.

² The "Pauley contract" refers to an agreement reached on March 5, 1949 by Pemex with the Compañía Independiente Mexicana-Americana (CIMA), with which American financier Edwin Pauley was affiliated. The contract was mentioned in the U.S. *aide-mémoire* of July 6, p. 675.

meet one of the conditions stipulated in our note. It is not believed that any further steps should be taken on our part until we hear from the Mexicans.

Attached is a Memorandum of Conversation³ between Mr. Edwin M. Martin of ITP and Congressman Crosser, in which the position of the Executive Branch on an oil loan to Mexico is reaffirmed. Congressman Crosser asked that you be informed that he still considers the action proposed highly undesirable, will urge the Mexican Government not to accept a penny of U.S. money on this basis, and felt himself free to take such measures as he saw fit, including possibly public statements, to secure a reversal of the present position. Any such statements will be focused primarily on the State Department, which he considers to be responsible for persuading the rest of the Executive Branch to adopt this position.

It should be noted that Congressman Crosser did not suggest that he would again raise the issue with the White House. On being told that the position taken with the Mexican Government had been approved as to its principal points by the White House, he expressed the view that the President could not have been properly briefed as to the nature of the proposal he was approving.

³ Not printed.

812.51/9-449 : Telegram

The Secretary of State to the Embassy in Mexico

CONFIDENTIAL

WASHINGTON, September 19, 1949—2 p. m.

828. Dept desires you seek early appointment with Pres Alemán to discuss Mex oil loan matter. Reurtel 104 [1041], Sept. 4.¹ You are instructed ask Pres if he and appropriate Mex Govt officials believe mutually satisfactory basis can be established for resumption interrupted loan negots considering both Mex Govt policy its petroleum resources and basic policy this Govt private capital available explora-

¹ Not printed. In it, Ambassador Thurston reported that the developments of the past 60 days associated with the inconclusive Pemex loan negotiations had impaired United States-Mexican relations. He urged that the present state of affairs, which invited recrimination and hostile propaganda, be brought to an early end and recommended that consideration be given to the idea of initiating, through the Embassy, informal exploratory discussions with President Alemán and Senator Bermudez designed to prepare a basis on which the interrupted loan negotiations might be resumed. He added that only the public support of the general proposition of a loan, given by President Truman, had prevented United States-Mexican official relations from being affected. (812.51/9-449)

At his news conference on September 1, President Truman had announced that negotiations on the Mexican oil loan would continue and that he was sure a conclusion satisfactory to both Governments would be reached (*Public Papers of the Presidents of the United States: Harry S. Truman, 1949*, p. 455).

tion, development, production under reasonable terms. You may add you have been instructed by your Govt to convey to him its hope that basis can be found agreeable to both Govts upon which loan assistance might be rendered construction refining and distribution facilities. Dept desires your initial discussion and any other discussions with Pres and other officials whom he may designate to discuss above with you be conducted on strictly informal, exploratory and confidential basis. Dept considers it essential no indication be given Mexicans in your exploratory discussions that US contemplating any change in position.

In reporting your conversation, pls note particular obstacles Mex find in accepting the US proposition presented our *aide-mémoire*.

Decision on whether negots will be resumed, on what basis, and where will be deferred pending receipt report your discussions, your analysis of official Mex thinking, and your recommendations.

ACHESON

812.51/10-549 : Telegram

The Ambassador in Mexico (Thurston) to the Secretary of State

CONFIDENTIAL PRIORITY MEXICO CITY, October 5, 1949—5 p. m.

1204. Inasmuch as Mexican *aide-mémoire* July 18¹ obviously was drafted pursuant instructions from Minister Foreign Affairs,² I did not attempt last evening interrogate President Alemán with respect particular obstacles which prevented Mexican acceptance proposals presented our *aide-mémoire* July 6 (penultimate paragraph your instruction 828, September 19, 2 p. m., and my 1196 October 4, 8 p. m.³).

I discussed this matter with Acting Foreign Minister⁴ in frank informal conversation this morning. I believe that, as result, I can correctly describe Mexican reaction our *aide-mémoire*, as follows:

1. Tone *aide-mémoire* was considered wounding because made no effort conceal mistrust Mexican good faith. Specifically, this was implied in statement we would be prepared implement loan policy "through step-by-step procedure, in which action by one government follows upon action by other" and statement that "upon satisfactory progress in carrying out foregoing measures, US Government would

¹ Not printed.

² Jaime Torres Bodet.

³ Latter not printed. In it, Ambassador Thurston reported that on the evening of October 4 he had conveyed to President Alemán the appropriate passages of Department telegram 828, September 19, and that the President gave every evidence of pleasure at this initiative and requested the Ambassador to say to the Department that he [President Alemán] believed it possible to establish a mutually satisfactory basis on which the interrupted Pemex loan talks might be resumed (812.51/10-449).

⁴ Manuel Tello.

then be prepared consider further loans to Mexican Government for similar facilities”;

2. *Aide-mémoire* was construed establish, as condition to granting of loan, change in Mexico's petroleum laws through statement “private companies are prepared enter in development and production Mexico's oil resources when satisfied can do so on legal basis”, and, additionally, “is view this government that prerequisite to such increased participation by private companies is appropriate action by Mexican Government which would provide accepted legal basis for such companies to undertake exploration, development, and production activities at their own risk”.

3. Our action in incorporating into *aide-mémoire* unmistakable reference Sabalo case was especially distasteful. This was so, not only because Mexicans felt loan application should be treated on its merits as banking proposition and that Sabalo case was extraneous to application, but because conversations with respect settlement were already in progress between representatives company and Pemex.

Tello will discuss this subject with President Alemán and Bermudez and give me informal memorandum next week confirming foregoing.

As to my views official Mexican thinking and my recommendations, they are as follows: I believe Mexicans were honestly offended by general tone our *aide-mémoire* and its specific terms, which probably were unexpected. I further believe they desire Pemex loan and are agreeable to proposition that proceeds be utilized for construction, refining, and distribution facilities. I likewise believe possible some improvement over terms CIMA contract can be obtained for private capital although unlikely general framework that contract can be greatly altered. Tello assured me this morning possibility Congressional ratification CIMA contract had been explored and was discovered no machinery exists, under constitution or otherwise, for Congressional action. It is possible that, through discussions, procedure might be devised that would ensure legal safeguards against succeeding administrations for contracts with private enterprises entered into by this government. Pertinence this point as topic for further government-to-government discussion, however, seems impaired by action CIMA group in entering into contracts with Pemex and apparent willingness other companies follow its example. (President Alemán informed me last night Texas Company and Sinclair are negotiating with Pemex.)

As indicated my telegram last night, I believe President Alemán welcomed our approach. Accordingly, I recommend we inform this government we are prepared resume loan negotiations. I would recommend that when conveying this message, it be accompanied by conciliatory statement to effect we concede that pending claims are being dealt with by Pemex and interested parties, thus satisfying that part our policy incorporated July 6 *aide-mémoire* dealing with claims. I

would further recommend that all discussions be conducted orally for time being in order that points discord may be overcome before they are reduced to writing.

THURSTON

611.1231/10-849

Memorandum by the Acting Secretary of State to President Truman

SECRET

WASHINGTON, October 8, 1949.

MEMORANDUM FOR THE PRESIDENT

In the attached memorandum, the Interdepartmental Committee on Trade Agreements recommends proposing to the Mexican Government that representatives of the two Governments consider the advisability of their taking joint action to conclude currently unfinished negotiations for the revision of Schedule I of the existing trade agreement, and to terminate the United States-Mexican trade agreement signed December 23, 1942.¹ This action, suggested procedure for which is outlined in the memorandum, is recommended because of the likelihood that no mutually satisfactory agreement can be reached.

The Committee has been reluctant to recommend the termination of the agreement, and is ready to give full consideration to any practicable substitute procedure which the Mexican Government may wish to propose. The Committee would consider unilateral denunciation of the agreement only as a final United States position should exploration of all other available means of settling the apparent impasse in our trade-agreement negotiations be without result.

The Committee requests your approval of its suggested course of action, and I concur in this request.²

JAMES E. WEBB

[Enclosure]

MEMORANDUM FOR THE PRESIDENT

Subject: Recommendation of the Interdepartmental Committee on Trade Agreements Relative to a Proposal To Terminate the Trade Agreement with Mexico.

In December, 1947, as one of a series of measures designed to restrict imports in order to conserve foreign exchange, the Government

¹Text in Department of State Executive Agreement Series No. 311, and 57 Stat. 833.

²The Department of State file copy bears the notation: "Approved Harry S. Truman".

of Mexico increased its import duties on products included in Schedule I of the existing trade agreement.³ The United States consented to the action provisionally, upon agreement by Mexico to renegotiate Schedule I with a view to restoring the balance of the agreement. Following public announcement of intention to negotiate with Mexico and public hearings in accordance with customary trade agreement procedure, formal negotiations between the United States and Mexico were begun in April, 1948.⁴

Since the initiation of the conversations more than 15 months ago, it has been clearly evident that the Government of Mexico is reluctant, if not unwilling, to adhere to the terms of the understanding reached by the two Governments with respect to the negotiations, and months of protracted and difficult negotiations have resulted only in agreement concerning a relatively small number of items, generally of minor individual importance.

Meanwhile, the Mexican Government has taken additional measures to curtail imports. These have ostensibly been for the purpose of exchange conservation, but the way in which they have been implemented has emphasized Mexico's present policy of stimulating industrial development through increased tariff protection and other types of import controls obviously designed for purposes of protection. Many of the measures have contravened provisions of the existing trade agreement, but Mexican authorities have shown little disposition to withdraw them despite vigorous and repeated representations.

The Committee believes that the Mexican Government, because it considers the present situation to be entirely favorable from its point of view, will take no steps in the foreseeable future calculated to bring the Schedule I negotiations to a satisfactory conclusion or to withdraw the numerous measures currently impairing the trade agreement. The Committee also believes that the Mexican Government will not hesitate to institute other measures in violation of the agreement whenever such action may appear expedient. Under such circumstances, the value of the agreement to the United States appears to be limited.

The Committee has reached the conclusion that further deferment of an attempt to bring about a settlement of the present situation would result in public criticism of the United States Government for countenancing Mexican action in regard to the agreement and would raise serious questions, both in the United States and abroad, concerning

³ For pertinent documentation, see *Foreign Relations*, 1947, vol. VIII, pp. 772 ff.

⁴ See *ibid.*, 1948, vol. IX, pp. 641 ff.

the significance of the entire trade-agreements program, including the General Agreement on Tariffs and Trade.⁵

Therefore, if you approve, the Committee proposes to instruct the United States negotiators to suggest to the Mexican negotiators that they consider the advisability of the two Governments joining in terminating the present negotiations and in agreeing jointly to terminate the existing trade agreement. At the same time, the US negotiators would be instructed to give clear indication of United States willingness to consider any practicable substitute procedure Mexico may wish to propose in lieu of termination of the agreement. Should no acceptable offer be made by Mexico, and should it not agree to the joint termination of the agreement, the Committee would be disposed to terminate unilaterally. However, it would adopt that procedure only after all other available means of settlement have been fully explored and exhausted.

In deciding to recommend the foregoing procedure, the Committee has recognized that termination of the agreement would result in the reversion, to their pre-Mexican-agreement level, of United States import duties on a number of significant items (totalling approximately 36 per cent of all concessions given to Mexico, on the basis of 1946 trade statistics) which have not been included in any other agreement. Lead in various forms, fluorspar, cottonseed oil cake and meal, tomatoes, pineapples, and handicraft articles such as huaraches would be included among those items. To the extent that demand for such products in the United States would be affected by the increased duties on imports from Mexico or other countries, there would be a corresponding loss to United States importing and consuming interests.

From the point of view of United States exporters, the loss would no doubt be more serious, for it is probable that, with the termination of the agreement, pressure by Mexican manufacturers would result in the imposition of higher duties or of other restrictive measures on a substantial number of the items listed in Schedule I. However, in view of the present tendency of the Mexican Government to adopt measures without regard to the agreement, the Committee believes that the reasons counselling the proposed action, even though it might lead to termination of the agreement, are more cogent than those which suggest the desirability of maintaining it under present circumstances.

It is proposed to institute conversations immediately and to press for a decision in the very near future. Should the prospective discussions with Mexican officials result in a decision to terminate the

⁵ The text of the General Agreement on Tariffs and Trade (GATT) is contained in TIAS 1700, and 61 Stat. (pts. 5-6). Documentation on U.S. participation is contained in volume I.

trade agreement jointly, it is proposed to do so by an exchange of notes or by a more formal agreement. If unilateral denunciation of the agreement should eventually be necessary, it would be done in accordance with Article XVIII of the agreement, which provides for termination on six months' notice. In either case, there would be sent you for your signature a proclamation revoking the proclamation of December 31, 1942, which gave effect to the reductions in duty provided for in the trade agreement with Mexico.

Your approval of the course of action set forth above is requested.⁶

WOODBURY WILLOUGHBY

Chairman

*Interdepartmental Committee on
Trade Agreements*

⁶ For the text of an announcement by the Department of State on June 23, 1950 on an exchange of notes between the United States and Mexico terminating the 1942 trade agreement effective after December 31, 1950, see Department of State *Bulletin*, August 7, 1950, p. 215.

812.51/11-2849

*The Chairman of the Export-Import Bank of Washington (Gaston)
to the Secretary of State*

SECRET

WASHINGTON, November 21, 1949.

MY DEAR MR. SECRETARY: On November 14 the Department of State gave me a copy of a memorandum which the Department proposes to send to the President recommending that he approve certain instructions to Ambassador Thurston regarding negotiation of a loan by the Bank to Mexico for oil processing and distribution facilities. A discussion of the problem involved was attached to the memorandum. The Department has asked for the concurrence of the Bank in the recommendations to the President.¹

¹ The proposed memorandum to President Truman, dated November 9, is not printed; it was not sent forward by the Department of State to the White House (812.51/11-849). The substance of the memorandum was sent to Assistant Secretary Miller, then visiting Costa Rica, in Department telegram 195, November 9, to San José, which read in part as follows:

"Essence recommendation is Thurston should orally explore with Mex possibility resuming negots fol basis: In lieu of agreement on basic policy we accept recent statements Mex officials plus Mex agreement our issuing statement saying we understand Mex Govt intends facilitate expansion production through increased participation private enterprise. This applies initial loan application construction, distribution and refinery facilities only. Amer claims completely disassociated. Every effort was made obtain agreement within Dept to new position which would make greatest possible concessions to Mex consistent with Depts obligations foster and protect legitimate US interests throughout Latin Amer." (111.12 Miller, Edward G., Jr./11-949)

Since essentially the decision which is now being made is a decision as to whether the Bank shall make a loan to Pemex, the Board of Directors of the Bank has given the matter most serious although perforce hurried consideration.

Upon the basis of the information available to us, we are of the opinion that it would be unwise to instruct Ambassador Thurston to explore with the Mexican authorities the possibility of resuming loan discussions on the basis proposed in the memorandum to the President. The reasons contributing to this opinion are :

1. The Bank, together with the rest of the United States Government, has a keen and sympathetic interest in the economic progress of Mexico and is fully aware of the contribution that an accelerated development of the Mexican petroleum industry could make to the prosperity and welfare of the Mexican people. The Bank has extended substantial credits, aggregating more than \$150 million, to Mexico to further its economic progress and expects to extend further credits from time to time for this purpose. Consequently, we have viewed the question of a loan to Pemex entirely in terms of the positive or negative contribution which it might make to the economic welfare of Mexico.

2. The primary objective of the Bank in this matter is the expansion of exploration for and production of petroleum in Mexico. We believe that, in view of the magnitude of the expenditures and risks involved, and the technical knowledge and experience required, there will be no substantial increase of petroleum production in Mexico if exploration and production are left chiefly to agencies of the Mexican Government. Consequently, we doubt that loans to Pemex for petroleum processing and distribution facilities will make a significant contribution to the development of the Mexican oil industry and economic progress of Mexico unless at the same time effective steps are taken by Mexico for the expansion of exploration and production.

3. We concurred in the *aide-mémoire* of July 6, 1949, addressed to the Mexican Government, believing that it outlined a course of action clearly directed toward expansion and development of the Mexican petroleum industry. This course of action promised to be effective since it was predicated on the thesis that the most rapid and successful means of expanding exploration and production of petroleum in Mexico was a substantial participation in those activities by private companies on a competitive basis and under arrangements which were satisfactory both to Mexico and the private investors involved.

4. We do not agree that, as is stated at least by implication in the proposed memorandum to the President, the events and conversations since the delivery of the *aide-mémoire* of July 6 offer real evidence of an intention on the part of the Mexican Government to take effective steps toward the expansion of petroleum production in Mexico. On the contrary, the Board of Directors, accepting the statements of the Mexican officials at their full face value and ascribing to them all good faith, interprets the record as a statement on the part of Mexico that it does not propose to take those steps which the United States Government has believed are necessary to bring about a successful

development of the petroleum industry in Mexico. In any event, the facts afford no evidence that the steps being taken by Mexico will be effective in bringing about this result.

5. We are of the opinion that the course of action suggested in the proposed memorandum to the President will have adverse repercussions in those other countries, particularly in Latin America, in which United States private petroleum interests are operating or have the opportunity to operate. We seriously doubt that it will be interpreted to mean that private capital will be permitted to participate on reasonable terms in the development of Mexico's oil resources. It seems quite probable that the other Latin American governments will be thereby encouraged to restrict or to eliminate the present and potential operations of United States private oil companies in their countries. The unfortunate consequence of such action might be the decline of production in those countries in which private interests are now operating and failure to develop any substantial production in countries where there are oil resources as yet undeveloped. This would be to the disadvantage of the United States and even more to the disadvantage of the other countries. Further than that it might have the consequence that it would discourage the investment of United States private capital abroad, not only in petroleum development but in other fields as well, at the very moment when more than ever before such investment is desired by the governments of the United States and other countries.

6. We believe it inevitable that a loan to Mexico under existing circumstances will result in applications from other Latin American countries, which have not permitted oil development by private capital, for loans to finance oil refineries, pipelines and similar installations. During the past several years the Bank has denied such loans to several of these countries in accordance with a uniform established policy which was understood by those governments. It will be very difficult for the United States Government to refuse such loans to other countries if we should grant a loan to Mexico upon the basis proposed. We have been impressed by the dispatches and reports from the United States embassies in those countries which indicate that a petroleum credit to Mexico will be interpreted as establishing a troublesome precedent with respect to other countries.

In stating our belief that it would be inadvisable to instruct Ambassador Thurston to explore with the Mexican authorities the possibility of resuming loan discussions on the basis proposed in the memorandum to the President, we wish to make it clear that we are not advocating an arbitrary and high-handed position by the United States. We believe that it would be appropriate and feasible for Ambassador Thurston to tell the Mexican Government that the United States does not agree that it can be said that the views of the two governments have been reconciled; that the United States Government is convinced that there is no sound economic basis for credits from the Export-Import Bank for refining and distribution facilities until it is evident that the steps being taken and those proposed to be taken

by the Mexican Government to increase oil production are, or at least promise to be, effective.

We urge, Mr. Secretary, that the entire problem be reviewed in the light of the foregoing considerations.

Sincerely yours,

HERBERT E. GASTON

812.51/11-2349

Memorandum by the Assistant Secretaries of State for Economic Affairs (Thorp) and Inter-American Affairs (Miller) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] November 23, 1949.

ARA and E make the following comments on the issues raised in Mr. Gaston's letter to you of November 21, 1949.

Our Government has consistently maintained a great interest in the economic development of Mexico and, as the list attached to this memorandum¹ shows in some detail, we have recently given substantial and concrete evidence of this interest on numerous occasions. The financial assistance which our Government has given the Mexican Government exceeds that given to any other Latin American Government with the exception of Brazil.

In addition the United States has also tried to find some way for helping Mexico to develop its oil industry without sacrificing important United States interests. In searching for a formula, it has been necessary to recognize that:

a) United States Government loans for the financing of Mexican Government oil operations will encourage other Latin American Governments to eliminate or restrict the activities of private enterprise in the petroleum field to the prejudice of important United States interests; this would in turn impede rather than stimulate the development of oil reserves in other Latin American countries.

b) The exploration, development and production phases of the Mexican oil industry can best be conducted by private enterprise which alone has the risk capital, experience and technical knowledge required for successful operations; United States financing of Pemex production operations would therefore probably impede rather than stimulate the development of the Mexican oil industry.

c) Without an expansion in Mexican oil production, it is doubtful that any United States Government loan to Pemex, even for refining operations, can be justified economically.

d) A petroleum loan to the Mexican Government will invite loan applications from other Latin American countries which, like Mexico, lack the risk capital, technical knowledge and experience to conduct successful oil operations.

¹ Not printed.

The Department's *aide-mémoire* of July 6, 1949 was designed to help Mexico develop its oil industry without undue prejudice to our interests. It was proposed in substance that the Mexican Government agree to create a climate favorable to the operation of private enterprise in the exploration, development and production fields; and that the United States would thereafter be prepared to lend financial assistance to the operations of the Mexican Government in the oil distribution and refining fields. An initial loan was to be considered as soon as the agreement of the Mexican Government was obtained and additional loans were to depend upon the extent to which the agreement had been put into practice.

This proposal was rejected by Mexico.

In a further effort to satisfy the desires of the Mexican Government, ARA and E proposed in their memoranda of November 9, 1949² that, in lieu of the firm agreement on basic oil policy envisaged in the *aide-mémoire*, we accept, for purposes of the initial loan application only, certain rather incomplete oral assurances of Mexican officials, plus their acquiescence to a public statement by the United States as to these assurances. It was our hope that, by this demonstration of good will on our part, the Mexican Government would be encouraged to take concrete steps to open the way for private enterprise in the exploration, development and production fields.

The Export-Import Bank has disagreed with the modified procedure recommended by the Department. The Bank can see no adequate basis in Mexican actions or statements for hope that Mexico will encourage the essential expansion of Mexican petroleum production through the increased participation of private enterprise. Therefore it states that it can have no economic justification for making a loan and points up the very real risks involved.

The procedure recommended in the Memorandum to the President is wise or unwise depending on whether it will encourage the Mexicans to open a wider door to private enterprise in petroleum. There is unfortunately no way of predicting with certainty whether our recommended procedure will have this desired effect.

The disadvantage of the procedure which has been recommended, if it is accepted by the President and by Mexico, is that we incur the risk that the Mexican Government will get a petroleum loan and fail to create a better climate for private enterprise. Should this occur, we would have dealt a severe blow to our foreign petroleum and economic development objectives.

The advantage of the procedure is that it may possibly lead to the desired actions on the part of the Mexican Government. This would

² Not printed.

in turn greatly benefit the Mexican economy as well as create good will for the United States.

Even if it is decided not to proceed at this time, the failure to make a loan will not seriously and permanently prejudice our relations with Mexico, particularly in view of the extensive aid we are giving Mexico in other fields.

812.51/11-2549

Memorandum by the Under Secretary of State (Webb)

SECRET

[WASHINGTON,] November 25, 1949.

I discussed with the President the difficulties we are encountering in getting a governmental position on the Mexican oil loan, and indicated that the State Department staff felt we should await further developments, especially in view of the numerous ways in which we have already, or are now, assisted the Mexican Government. I left with the President the attached memorandum indicating these various items in which we are now engaged.¹

The President said he would be glad to read the memorandum, that he still felt quite strongly that somehow, in some way, we must accomplish increased production of oil in Mexico and its export. He feels this is the only way he knows to solve Mexico's dollar problem. I pointed out to him that there were at the present time several countries considering petroleum legislation, that we had made real progress in countries such as Peru, that we had just signed a treaty with Uruguay on most favorable terms, and that we must be very careful not to take any action in Mexico that would undermine this solid trend of progress.

I judge from this conversation that we should wait until the President has had an opportunity to read the list of things we are doing for Mexico, and discuss the matter with him again.

JAMES E. WEBB

¹ See *supra*.

812.51/11-3049

The Ambassador in Mexico (Thurston) to the Director of the Office of Middle American Affairs (Reveley)

SECRET

MEXICO, D.F., November 30, 1949.

MY DEAR JEFF: I feel that in my own interests I should tell you that I cleared Bob Eakens' ¹ telegram 1389 last night only after con-

¹ Chief of the Petroleum Policy Staff, Department of State.

siderable discussion with him and much revision of the message submitted by him in its original form.² In the first place, there has been no particular change in my thinking about the oil problem from the presentation of my opinion in reports already submitted, although, of course, no situation remains unchanged very long; and, in the second place, I did not wish the Department to gain the impression either that I was attempting to intrude into the final discussions regarding the oil loan, or that I desire to be called to Washington—the latter, in fact, being the furthest possible from my wishes. As to Bob Eakens' reference to the lessening in recent weeks of the "political necessity" for an oil loan (a statement which, as he will tell you, he first desired to attribute to me), there can be little doubt. Nonetheless, when I reported to the Department my belief that the failure of the oil loan negotiations last July and the indecent exploitation of that situation by persons here and in the United States had aroused Mexican feelings, I was reporting a fact. The Department's action in authorizing me, following its receipt of my telegraphic report, to discuss the matter with Alemán and others here, relieved that situation. Consequently, the Department would not be warranted, if it has, in fact, done so, in continuing to believe that the political pressure here is still great.

Bob's further statement that the need for a loan does not now appear as great as in the past, was, I believe, based principally upon data furnished by Horace Braun.³ I think Braun's information is accurate and that, consequently, the principal projects on the Pemex program, such as the Salamanca Refinery, the Tehuantepec pipeline, and the Salamanca pipeline, probably can be carried to completion through the employment of funds available to Pemex, either from its own income, or from outside financing, which, I suspect, has been found, probably from the Bank of America people in California.

I am not quite so certain in my thinking with respect to the attitude which the Mexicans would adopt should we proffer them a very small loan, with or without attached conditions. I am disposed to think that their first reaction might be one of resentment based, in the first instance, upon their well-known pride and sensitiveness. As you know,

² The text of telegram 1389, November 29, from Mexico read as follows:

"From Eakens. After studying oil loan problem here am of opinion political necessity loan lessened recent weeks, that political repercussions proffer small loan could be greater than from failure make loan, and that offer small loan accompanied by explicit or implied conditions, unless preceded by clarifying preliminary oral negotiations, might be rejected. Moreover, Pemex need for loan does not now appear as great as in past as Pemex has already financed most urgent projects including Salamanca pipeline, crude distillation unit Salamanca refinery, certain immediately essential facilities at Poza Rica, and the isthmus pipeline. In addition, first CIMA wildcat appears to have discovered new field and Wiegand has brought in five producers in first six wells drilled.

Urgently recommended Department consult Ambassador Thurston before taking any action oil loan. Thurston" (812.51/11-2949)

³ Attaché at the American Embassy in Mexico City.

when Bermudez went to Washington early this year, a most injudicious press campaign was launched here, with much talk of a 470,000,000-dollar loan. Later the press reported the reduction of the loan application to 203,000,000 dollars. It is not unlikely that if it were to become known that the loan had finally dwindled down to a mere ten or fifteen million dollars there would be much hostile comment in the press, and an impairment of Bermudez's prestige, and possibly that of Alemán as well. If, furthermore, it were to become known that we had coupled this comparatively diminutive loan to conditions such as the creation of a more favorable atmosphere for American private enterprise in the field of exploration and development, and actual outcry might result. This is, of course, pure speculation.

The real essence, I think, of my opinion with respect to this entire loan matter is that we should know exactly what we want and so inform the Mexicans—and that we should do so initially orally and not in writing. I likewise feel that there might be great advantage, in so far as any further negotiations are concerned, in dealing with this matter hereafter in Mexico, quite apart from my feelings, which are well known in Washington, that this Embassy should be reinstated in its proper place, from which it was dislodged so inexcusably and so harmfully last year.

If you think anybody would care to hear me expound and elaborate the foregoing views, I would be glad to come to Washington. I may assure you, however, in all sincerity, that I would much rather stay right here.⁴

Cordially and sincerely yours,

WALTER THURSTON

⁴No decision was made prior to the end of the year 1949 by the U.S. Government on the question of the Pemex loan.

PANAMA

POLITICAL AND MILITARY RELATIONS OF THE UNITED STATES AND PANAMA

711F.1914/1-1349

Memorandum of Telephone Conversation, by the Acting Assistant Chief of the Division of Central America and Panama Affairs (Bennett)

[WASHINGTON,] January 13, 1949.

Ambassador Davis telephoned long distance from Panama with respect to his telegram No. 22 of January 12 which unfortunately had not yet been received in the Department (investigation brought out the fact that the transmission had been garbled). The message concerns a proposed press statement to be given out by the Embassy in connection with recent statements made in the National Assembly of Panama and by President Diaz at a press conference on the possibility of defense sites negotiations between the United States and Panama.¹

The Ambassador expressed the view that these Panamanian statements represent an encouraging development and provide an indication that results are being obtained from the Embassy's program of the past several months. He stated that the recent statements could be taken as an indication of the Government's viewpoint on defense sites negotiations, as well as evidence that certain other political groups in Panama consider public opinion toward negotiations to have changed during the past year. The Ambassador explained that this favorable view is not unanimous by any means and cautioned against over-optimism on our part, emphasizing that some of the opposition has yet to make its position known. He said that this opposition could be expected to hit back but that it is not yet possible to predict the exact reaction. The Ambassador went on to say that he does feel that we can take satisfaction in that through the recent statements in the

¹ In telegram 22, Ambassador Davis had reported in part that President Domingo Diaz Arosemena had stated, at a press conference on January 12, that his government might consider reopening base negotiations after his administration had reached a decision on the proposed civil aviation agreement. The Ambassador had asked permission to issue a statement emphasizing that he had no instructions to open base negotiations and that the U.S. was not awaiting a Panamanian initiative in the matter. (711F.1914/1-1249)

For documentation on the civil aviation agreement, see *Foreign Relations*, 1948, vol. ix, pp. 698-699.

Assembly at least two of the important segments of Panamanian political organization have put themselves on record as favoring a conciliatory and forward looking position with respect to future negotiations.

The Ambassador said that it was with this background that his telegram No. 22 had been sent. He stressed the desirability of urgent consideration of his proposed statement in the Department and asked that we make every effort to give him an answer today. He stressed the fact there have now been pronouncements by both the Diaz administration and by leading members of the National Assembly and that the moment is timely for a statement by the Embassy. He stressed the fact that the press is extremely anxious to have a release from him today and that immediate action would mean that the United States position would receive the fullest possible publicity. The Ambassador was assured that his views would be brought urgently to the attention of appropriate officers of the Department and that the delay in the receipt of his telegram would be investigated.

The Ambassador then mentioned statements recently attributed to the Department from the Under Secretary's press conference² and other sources. He expressed the opinion that it is unfortunate to have the impression prevalent that this Government is insisting that Panama make an offer to enter into negotiations. He declared that this interpretation of our position has been taken up and exploited by our critics; and he considers it unfortunate to give the impression that it is our position because (1) it appears petty and (2) the implication that we have a plan ready for presentation to Panama immediately on indication of Panamanian receptiveness to negotiations is not borne out by the facts. Ambassador Davis asserted that the Embassy's position as expressed publicly in Panama to the effect that matters concerning defense sites negotiations have been held in abeyance since last February has proved sound. He explained that this position, which was agreed on during his consultation in the Department, has been adhered to in all public statements made by the Embassy since his arrival there last May and that it has been of real assistance to Panamanian leaders of moderate tendencies who wish to be helpful in improving relations between the two countries.

² Telegram 644 from Washington, October 20, 1948, reported Acting Secretary Lovett to have said at a press conference the same day that there had been no change in the situation regarding U.S. defense sites in Panama since U.S. evacuation of the last bases outside the Canal Zone the preceding February (711F.1914/10-2048).

For the exchange of notes between the United States and Panama, February 16 and 20, 1948, which terminated U.S. occupation rights to the sites, see Department of State *Bulletin*, March 7, 1948, p. 317. For documentation on defense site negotiations with Panama during 1948, see *Foreign Relations*, 1948, vol. ix, pp. 664 ff.

The Ambassador in conclusion once again stressed the desirability of an early release by the Embassy and requested that his proposed statement be given immediate attention in the Department.³

³ Telegram 29 from Washington, January 19, 1949, informed the Ambassador that the Department believed a press statement would prolong the defense sites controversy and possibly harm the civil aviation negotiations (711F.1914/1-1849). However, telegram 46 from Washington, February 4, 1949, reported that in response to an allegation in Drew Pearson's newspaper column that secret defense site negotiations were under way between the two countries, a departmental spokesman had stated that this was not the case and that the exchange of notes of the preceding February (see footnote 2 above) still held good (711F.1914/2-449).

711F.1914/10-2848

The Acting Secretary of State to the Secretary of the Army (Royall)

CONFIDENTIAL

WASHINGTON, January 18, 1949.

MY DEAR MR. SECRETARY: The Department has given careful consideration to your letter of October 28, 1948¹ expressing the joint views of the Departments of the Army, Navy and Air Force with respect to a new defense sites agreement with the Republic of Panama. Your statement has been noted to the effect that the Joint Chiefs of Staff have established a requirement for defense bases in Panama and have enumerated, in general terms, the provisions that should be included in a defense sites agreement with the Republic of Panama in Joint Chiefs of Staff 570/71 and Joint Chiefs of Staff 570/74.² It has been further noted from your letter that the National Military Establishment does not believe that this Government should now approach the Panamanian Government concerning a new agreement.

As you will recall, the Joint Chiefs of Staff papers referred to above were prepared in 1946. The Department considers that the experiences

¹ In this letter Secretary Royall, speaking in behalf of the National Military Establishment, had said in part:

"The Joint Chiefs of Staff have established the requirement for defense bases in Panama and have enumerated, in general terms, the provisions that should be included in a defense site agreement with that country. This information is contained in Joint Chiefs of Staff 570/71 and Joint Chiefs of Staff 570/74, copies of which you have previously received. In addition to the sites listed in these references, it is now agreed that additional sites will be needed at Anton, Jicarita Island, and Montuosa Island.

The National Military Establishment does not believe that this Government should approach the Panamanian Government concerning a new defense sites agreement. However, if the Panamanian Government reopens the subject and indicates a sincere desire to consummate such an agreement, it is believed that this Government should favorably entertain such a proposal.

The National Military Establishment is prepared to assist you, at your convenience, in the preparation of a proposed draft agreement; such a draft to be formulated within the provisions outlined in reference Joint Chiefs of Staff documents." (711F.1914/10-2848)

² Neither printed.

of the recent defense sites negotiations with the Republic of Panama, covering some eighteen months during the years 1946 and 1947,³ provide strong evidence that this Government cannot hope to negotiate successfully with Panama on those earlier terms. The Joint Chiefs of Staff papers under reference included certain provisions, particularly those concerning time periods of site occupancy, not considered capable of negotiation under present conditions.

The Department is prepared to undertake conversations with the National Military Establishment concerning desirable provisions to be embodied in a possible new agreement if the latter so desires. On the other hand, the National Military Establishment may prefer to defer action until such time as it considers the establishment of defense sites in territory of the Republic of Panama outside the Canal Zone of sufficiently urgent necessity as to require an approach to the Panamanian Government. In the latter event, a re-appraisal of suitable provisions for an agreement may be made on the basis of needs and circumstances as they may exist at that time.

The Department would appreciate receiving an expression of your views in the premises, since there are indications that this Government may shortly be approached officially by the Government of Panama with a view to entering into negotiations on defense sites.

Sincerely yours,

ROBERT A. LOVETT

³ For documentation, see *Foreign Relations*, 1946, vol. XI, pp. 1095 ff.; *ibid.*, 1947, vol. VIII, pp. 881 ff.; and *ibid.*, 1948, vol. IX, pp. 664 ff.

819.154/12-1348

The Acting Secretary of State to the Panama Ambassador (Davis)

CONFIDENTIAL

WASHINGTON, January 19, 1949.

No. 4

SIR: Reference is made to the Embassy's despatch No. 731 of December 13, 1948¹ and to previous correspondence, concerning the responsibility of the United States in connection with the maintenance of highways within the Republic of Panama.

There are enclosed for the Embassy's information copies of letters being addressed by the Department to the Department of the Army and to the Federal Works Agency.¹

In order to formalize some definite plan for the future long-term maintenance of the Trans-Isthmian Highway within the Republic of Panama, the Embassy is requested to approach the appropriate

¹ Not printed.

Panamanian authorities, at such time as it may consider opportune, with a view to re-negotiating the pertinent provisions in Point 5 of the General Relations Agreement of May 18, 1942² and the pertinent provisions in Articles II and VI of the Trans-Isthmian Highway Convention of March 2, 1936.³ The proposed agreement should provide:

1. That the United States Government will assume the responsibility for the long-term maintenance, at its expense, of the entire Trans-Isthmian Highway.

2. That the Government of Panama assume the responsibility for the maintenance on and after January 1, 1948, at its expense, of all other roads within the Republic of Panama which are, or may be, used by the armed forces of the United States; and that Panama will continue to make such roads available for the free use of our armed forces.

3. That the Government of Panama will assume the responsibility to prevent any encroachments on the Trans-Isthmian right-of-way, which might interfere in any way with the proper maintenance of the Highway.

4. That each government will maintain in a usable condition the roads which are its maintenance responsibility as outlined above; but that, upon failure to do so, the other government will have the right to make essential repairs, charging the cost thereof to the government failing to perform the maintenance in question.

The Embassy is requested to inform the Department of the Panamanian reaction to this proposal. Any discussions which are initiated should be with a view to the conclusion of a convention (treaty), embodying the above-mentioned points, which would be subject to the advice and consent of the Senate and to ratification by the President. It is noted from the despatch under reference that the modifications of the Agreement and Convention would require approval by the Panamanian National Assembly. In view of the fact that the present session of that Assembly is expected to terminate early in February, it is desirable that, if practicable, negotiations be undertaken at an early date.

When a tentative draft treaty has been drawn up, in consultation with Panamanian authorities, it should be forwarded to the Department for study and final instructions. At such time as it is possible to give authorization to proceed with signature, a Full Power signed by the President will be obtained and sent to the Embassy.

Very truly yours,

ROBERT A. LOVETT

² For the General Relations Agreement, see Department of State Executive Agreement Series (EAS) No. 452, or 59 Stat. (pt. 2) 1289. For pertinent documentation, see *Foreign Relations*, 1942, vol. vi, pp. 577 ff.

³ For text, see Department of State Treaty Series (TS) No. 946, or 53 Stat. (pt. 3) 1869.

711.19/2-349

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA, February 3, 1949.

No. 39

SIR: . . . The purpose of this report is to propose a constructive program designed to clear up current misunderstandings, dispose of pending problems, and effect an improvement in the present unsatisfactory relations between the United States and Panama.

The need for combating anti-American influences in Panama is acute because of the success of subversive elements in achieving a position of real power and because of the vital political and strategic interests of the United States in this country. The disapproval of the proposed Defense Sites Agreement in December 1947 was effected by a combination of local and foreign political factors, but it is doubted whether the defeat of American interests would have been so decisive without long preparation through (1) the infiltration of intellectual circles (especially the National University) and labor organizations by Communist-influenced subversive elements, and (2) the development of an aggressive, nationalistic philosophy under the leadership of Dr. Ricardo J. Alfaro,¹ based on unilateral interpretations of treaty provisions and a policy of deliberate encroachment on the rights granted to the United States by existing treaties. The political enemies of the United States, particularly the Communists, now organized as the "Partido del Pueblo," quickly adopted the program of protecting the territory and sovereignty of the fatherland as a popular means of assuming leadership and preventing normally good relations with the United States. The result has been a generation who consider that the original relationship with the United States was disgraceful, that Panamanian interests were betrayed, that the United States has been guilty of gross failure to keep its commitments, and that nothing short of a fundamental change in the treaty structure will satisfy Panamanian aspirations.

The Harmodio Arias² press has harped on these themes, and the Spanish Republican and other Communist-influenced leadership in the National University have left no stone unturned to appeal to youthful national pride, encourage self-pity, inflame race and class hatred and focus all the resultant resentment on the United States and the Canal Zone relationship. The Department is already familiar with the successes of this opposition and appreciative of the danger it represents for the future. The Embassy has frequently expressed the view, which is now reiterated, that there is little chance despite the willingness

¹ Former Minister for Foreign Affairs.

² Dr. Harmodio Arias Madrid, President of Panama from 1932 to 1936.

of the present Government of restoring normally good relations and settling outstanding problems unless and until the misconceptions which unfortunately have been permitted to become a part of the thinking of the public here are corrected and the leadership referred to above is discredited in the eyes of the people.

Many Panamanians of various political affiliations agree with this view and have become active in an endeavor to counteract the harmful subversive forces. As already indicated, all too frequently the cleavage comes along racial and class lines, a tendency that the subversive elements are at some pains to augment by constant propaganda designed not only to arouse race and class hatred, but also especially to associate in the minds of the people the United States Government with the now distrusted and hated upper, governing class in Panama.

Considerable progress has been made, however, by Panamanians of all classes who deplore the injury done to the relations with the United States to combat anti-American propaganda and stress their view that the United States is a nation they regard with friendliness as the most powerful representative of the American way of life and the best international friend of this Republic. The Embassy's efforts to gain public confidence and isolate the purely communistic elements in their destructive opposition to the United States have been rewarded with some success, but it must be admitted nevertheless that comparatively little has been accomplished toward convincing the Government and the public that the Alfaro doctrines, on which the subversive propaganda is largely based, are fundamentally fallacious and instead of representing a means of improving the situation of Panama vis-à-vis its treaty structure are on the contrary seriously harmful to the best interests of both countries.

The Alfaro doctrines are based on the premise that Bunau-Varilla³ was a dishonest adventurer who made no effort to protect Panamanian interests and who negotiated a treaty, the Convention of November 18, 1903⁴ which was grossly disadvantageous to Panama. According to his view, the relations with the United States have consisted largely of a succession of ungenerous and grasping actions on the part of the United States. With this background he has developed a series of strained treaty interpretations starting with the major premise that the grant in perpetuity of jurisdiction over the Canal Zone by Article II of the Convention of November 18, 1903, was not complete, but on the contrary strictly limited to "the construc-

³ Philippe Bunau-Varilla, a leader of the Panamanian revolution of 1903 and first Minister of Panama to the United States.

⁴ For the Isthmian Canal Convention signed at Washington November 18, 1903, see TS No. 431, or 33 Stat. (pt. 2) 2234. For pertinent documentation, see *Foreign Relations*, 1903, pp. 132 ff.

tion, maintenance, operation, sanitation and protection of the Canal," and that being sovereign Panama rightfully has jurisdiction in the Canal Zone in all other matters. Needless to say this doctrine ignores completely the clear language of Article III of the Convention.

In implementation of this system there have been other unilateral interpretations rendered and administrative measures based thereon without consultation with the American authorities affected. Repeated formal protests from the United States have been ignored, and the influence of Alfaro and his followers has been such that officials of the Government who do not agree with his policies have been prevented from taking action. As above indicated Alfaro's doctrines have been popular with the strongly nationalistic youth, who have applied his line of reasoning with fanatical zeal and are ready to brand as "traitors" and "entraguistas" any who oppose them.

Hence it is believed that a coordinated, constructive plan to combat deliberate misrepresentation of the facts and encroachment on vital rights is needed to protect American interests and make possible a return to normal relations with this country. The first phase should be corrective, and as recommended in my telegram No. 61 of February 1, 1949,⁵ it should include a review and clarification of the defense sites negotiations in 1946 and 1947, followed by a discussion of the history of American relations with this country, the treaty structure, and particularly the significance of the concessions made by the United States in the General Treaty of March 2, 1936,⁶ which have been largely lost to view. It should be preceded by a general policy statement confirming the intention of the United States to carry out its several commitments following a constructive program to be worked out with the Government of Panama to clear up points in dispute including claims. It should be pointed out however that the commitments are those both governments agree were understood and intended by the signatories of the treaties and agreements concerned.

The second phase, which could be carried out concurrently with the first, should include a clear analysis of treaty provisions in dispute with a precise statement of what the United States considers it is committed to do, how it proposes to deal with the matter concerned, and when action should be initiated. The statements as to just what the commitments are according to the understanding of the United

⁵ Not printed.

⁶ For the General Treaty of Friendship and Cooperation, together with ancillary notes, see TS No. 945, or 53 Stat. (pt. 3) 1807. For pertinent documentation, see *Foreign Relations*, 1935, vol. iv, pp. 889 ff.

States Government are necessary because of the public confusion which has been created by exaggerated and at times completely false claims by agitators and other critics of the United States.

Points to be covered should include the following:

1. Conclusion of the Aviation Agreement and, after its ratification by Panama transfer of scheduled commercial aviation activities from Albrook Air Force Base to Tocumen Airport.

2. Negotiation of Convention to settle El Encanto, Soldiers' and Malambo-Fire Claims.

3. Negotiation of Highway Convention to provide for long-term maintenance by U.S. of the Trans-Isthmian Highway, to dispose of our obligation under Article V of the "12-Points Agreement,"⁷ and to assure rights-of-way for our military establishment on Taboga Island.

4. Compliance with our obligation to afford equality of treatment and opportunity to Panamanians employed by the Panama Canal and the Panama Railroad on a realistic, sound and equitable basis.

5. Re-appraisal of conduct of commercial operations in the Canal Zone, including commissaries, post exchanges, club houses, sales stores, quartermaster stores, theaters and hospitals, in order to deal with Panamanian complaints of unfair competition with local commerce.

6. Fulfillment of our obligation to build a bridge or tunnel at Balboa, perhaps by substitution of road-construction acceptable to Panama (Article IV, "12-Points Agreement"); and abrogation of Article XII of same agreement (right-of-way for oil pipeline).

7. Removal of terminal facilities of the Panama Railroad, including the station in Panama City and disposition of the present station and lot (Article X, "12-Points Agreement").

8. Formalization of the realignment of the Colón corridor and completion by U.S. of the remaining 1,000 yards of the Trans-Isthmian Highway.

9. Conclusion of a Radio Communications Agreement.

10. Rescind the Executive Order prohibiting the importation (except from Panama) of alcoholic liquors into the Canal Zone.

11. Seek Congressional action to remove present tax on passenger fares from U.S. to Panama.

12. Continue and possibly increase technical assistance to Panamanian agriculture, and if possible lower the existing price differential (now 25 per cent) applied by the Canal Zone administration to purchases of Panamanian products.

The Embassy will prepare special reports on such of the above points as necessary.

Respectfully yours,

MONNETT B. DAVIS

⁷ Also known as the General Relations Agreement; see footnote 2 to the letter from Acting Secretary Lovett to Ambassador Davis, January 19, *supra*.

711F.1914/2-749

The Secretary of Defense (Forrestal) to the Secretary of State

CONFIDENTIAL

WASHINGTON, February 7, 1949.

DEAR MR. SECRETARY: Since 28 October 1948 when the Secretary of the Army furnished you with the joint views of the Departments of the Army, Navy and Air Force with respect to a new defense sites agreement with the Republic of Panama,¹ the Joint Chiefs of Staff have initiated a review of the requirements of the National Military Establishment for defense sites on a world-wide basis. Until this study has been completed and final action taken on it by the Joint Chiefs of Staff, a definite reply cannot be made to your letter of 18 January 1949.

When the Joint Chiefs of Staff have reached their decision with respect to world-wide base sites requirements, you will be advised of the position of the National Military Establishment with respect to base sites requirements in Panama. Until this determination has been made, it is preferred that you take no affirmative action with respect to negotiations with the Republic of Panama for defense sites.

Sincerely yours,

JAMES FORRESTAL

¹ For excerpts from Secretary Royall's letter of that date, see footnote 1 to the letter from Acting Secretary Lovett to Secretary Royall, January 18, 1949, p. 703.

711.1927/2-1149 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA CITY, February 11, 1949—11 a. m.

84. Assumption in Deptel 50, February 9¹ that Embassy not planning sign agreement at this time is correct since it would be unwise sign before Foreign Minister learns reaction of members National Assembly and receives satisfactory assurances majority deputies and other influential elements that they definitely favor agreement. Believes signatures should be deferred until shortly before agreement is to be presented to special session Assembly, and favorable attitude majority has been confirmed.² Signing now would tie hands of both governments leaving each vulnerable to attack by political enemies who care nothing about merits of agreement and who are obviously

¹ This telegram, not printed, deals with the proposed civil aviation agreement; see footnote 3 below.

² In telegram 171 from Panama, March 19, 1949, Ambassador Davis reported having received information from an informed source that the President had collected written pledges to vote in favor of the treaty from 22 National Assembly members (711.1927/3-1949). The Assembly had 42 members altogether.

motivated primarily by desire prevent anything that would demonstrate ability two governments to negotiate successfully, improve US-Panamanian relations and/or represent any success on part Diaz Government.

Further assumption that agreement's importance and advantages to Panama, and other points mentioned paragraph 2 reftel has been emphasized to interested Panamanians is also correct.³ Embassy takes position it has negotiated what it considers mutually advantageous agreement and is ready to sign it but if for any reason Panama does not desire agreement decision will of course be accepted, and commercial operations can continue in zone.

As to Arias group Embassy convinced they understand very well advantages to Tocumen and to Panama of agreement, but they are concerned more with preventing Diaz, bitter political enemy of Harmodio Arias, from achieving any success. As Dept knows Arias press has been critical of Tocumen project from beginning, and for reasons of prestige would not like to see government make success Tocumen now. Attack yesterday by columnist in *La Hora* made unfair and provocative statement that according to informed source the substance of the long and complicated agreement could have been stated in a single article reading: "The airport of Tocumen and any others that may in the future be constructed in the Republic of Panama are incorporated in the Canal Zone."

Embassy convinced also views mentioned paragraph 2 reftel represent deliberate misconstruction to further political aims described mytel 76, February 7. Foreign Minister and President Diaz are fully aware source, nature and motives these attacks and propose counteract. President has already made two public statements to effect he considers agreement very advantageous to Panama. Government is as determined to have agreement as Arias group and Communist-influenced elements are to defeat it. Alignment of forces is reminiscent of that in December 1947 on bases issue but situation is more favorable to US and Panamanian Government now than fourteen months ago. There is still danger of failure, however, because of amount of misunderstanding which has been permitted remain uncorrected and

³ In telegram 50 the Department had said in part:

"Ref second para Embtel 76 Feb 7 that Arias group not opposed to aviation agreement but feel it important to US and thus capable of exploitation. In Dept's opinion this view represents basic misconstruction since agreement is of primary importance to Pan in that it represents substantial econ assistance on part this Govt as respects communications cable, technical aid, etc., as well as econ advantage to Pan of having Tocumen in full operation. If no agreement reached future of Tocumen from Pan point of view appears jeopardized, whereas US interests will not be harmed through continued commercial operations in Zone. It is assumed these considerations being explained by Emb to interested Pans including those of Arias persuasion." (711.1927/2-749)

ability of Arias press and Communist influences in university have to confuse and sway local public. If agreement is approved it will mean, and will be recognized as, definite defeat these elements which accounts for strength and bitterness their opposition.

Be that as it may, important objective has already been achieved, namely, that US has demonstrated it is ready and willing sign eminently fair agreement representing Panamanian as well as US views. Hence if opposition succeeds preventing successful conclusion, US should be in strong position maintain fault not ours. To summarize, Embassy believes successful conclusion agreement highly desirable for both political and aviation reasons.⁴

DAVIS

⁴ The Air Transport Agreement was signed at Panama on March 31, 1949. In telegram 259 from Panama, April 13, 1949, Ambassador Davis reported in part that the National Assembly ratified the agreement on April 12 by a vote of 27-12. (711.1927/4-1349) For text of the agreement, and texts of additional agreements effected on March 31 by an exchange of notes, see Department of State Treaties and Other International Acts Series (TIAS) No. 1932, or 63 Stat. (pt. 3) 2450 (for the Air Transport Agreement), 63 Stat. (pt. 3) 2471 (for the Agreement Relating to a Communications Cable), and 63 Stat. (pt. 3) 2478 (for the Agreement Relating to a Civil Air Mission).

711.1914/2-749

Memorandum by the Director of the Office of American Republic Affairs (Daniels) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] February 16, 1949.

The attached letter of February 7¹ from Secretary Forrestal requests that no affirmative action be taken at this time to negotiate with the Republic of Panama for defense sites. Secretary Royall in February 1948 stated orally to General Marshall that failure of the Panamanian Assembly in December 1947 to ratify the Defense Sites Agreement had been a "blessing in disguise". Secretary Forrestal's letter is significant in putting his position in writing, even though it does hold the door open for a future change of position.

Recent reports from our Embassy at Panama relative to a commercial aviation agreement now under negotiation indicate that the domestic political situation there is such as to place in doubt the approval even of agreements of genuine practical importance to Panama. In this atmosphere we may expect that politicians whose principal aim is the furtherance of their own ambitions may combine with the small but noisy communist group to try to defeat the Diaz administration. They are capable of doing this regardless of the effect on the welfare of their own country or on relationships with the United States.

¹ *Ante*, p. 710.

Conclusion: Our Ambassador Davis has made progress in developing public relations to the point that the Panamanian people as a whole may realize the mistakes into which false prophets are leading them. But the time has not yet arrived when proposed agreements with Panama can be considered there on their merits rather than exploited for local political purposes. It is believed that this background will be of value to the higher officers of the Department in the event that there should be local press inquiries or hints by Panamanians regarding new negotiations.²

² Instruction No. 25 from Washington, February 28, 1949, read in part: "The Embassy is advised that the Department concurs with the view that the present state of relations between the United States and Panamá warrants the undertaking of a coordinated constructive program to combat deliberate misrepresentation of the facts and encroachment on the vital rights of the United States. However, such a program should not be orientated specifically toward the reopening of the defense sites negotiations but rather toward a general clearing up of the misapprehensions which render difficult a solution of other pending problems and an improvement in normal relations." (711F.1914/2-349)

S11F.504/4-1449

The Secretary of Defense (Johnson) to the Secretary of State

CONFIDENTIAL

WASHINGTON, April 14, 1949.

DEAR MR. SECRETARY: I have the honor to refer to the several communications of the Secretary of State and the Acting Secretary of State dated 7 September 1948, 24 September 1948 and 28 February 1949¹ respectively, relating to United States labor policy in the Canal Zone.

The National Military Establishment fully recognizes the vital importance of obtaining a sound and long-range solution of this problem, in order to reduce the basis of such hostile criticism of United States administration on the Isthmus of Panama as is set forth in the note from the Panamanian Embassy which you have forwarded to me. On the other hand, so many factors are involved in this question that I am frankly doubtful whether it is either practical or desirable to make any immediate departure from our present policy in this matter. I am not convinced that a change solely for the purpose of answering this particular charge of discrimination would be in the best interest of the United States.

Some idea of the complexity of Canal Zone labor policies may be gathered from the memorandum of Governor F. K. Newcomer, dated 21 October 1948,² which was forwarded to you on 29 October. As indi-

¹ Letters of September 24, 1948 and February 28, 1949, not printed. For the letter of September 7, 1948, see *Foreign Relations*, 1948, vol. ix, p. 680.

² *Ibid.*, p. 684.

cated therein, the recommendations of Brigadier General Frank McSherry in 1947 have resulted in the creation of a Canal Zone Personnel Board under the jurisdiction of the Commander in Chief, Caribbean Command, U.S. Army, to accomplish coordination in labor policy among the various U.S. Governmental agencies in the Canal Zone. In addition, I am happy to report that the arbitrary distinction between "gold" and "silver" employees has been officially discontinued; both the Military Establishment and the Panama Canal now pay unskilled and semi-skilled labor at locality wage rates. After 1 May 1949 a uniform leave policy will be in effect for United States and Panamanian employees of the Canal and Railroad. Within the past twelve months, wages have been increased for certain classes of labor; further increases may be expected within available appropriations, particularly in the lower paid categories. In this connection, it is noteworthy that local unskilled or semi-skilled laborers employed by U.S. Government agencies in the Canal Zone are beneficiaries of more advantageous personnel practices than those of the same category employed by the Republic of Panama.

This last point brings me to a consideration of the basic assertion of the Republic of Panama, viz., that under the treaty of 1936 Panamanian employees of U.S. Government agencies in the Canal Zone should be paid the same salaries and wages as U.S. citizens employed by these same agencies. In this connection I should like to point out that by the treaty itself the United States did not agree to maintain equality of opportunity and treatment for Panamanians in the Canal Zone. It would appear that the specific language to which the Panamanian Embassy has reference is a declaration of policy by Mr. Cordell Hull, then Secretary of State, in one of a series of notes exchanged with the Panamanian Treaty Commission in Washington.³ There may therefore be some question whether this declaration is legally binding upon the United States, but I would welcome your opinion on this point.

It is true, as charged by the Panamanian Embassy, that two wage scales are employed by the Armed Services in the Canal Zone. Apart from the classified civil service, skilled labor recruited in the United States is paid at rates prevailing here, whereas unskilled labor recruited locally is paid at a rate determined in accordance with that prevailing in Panamanian business and industry. This rate of pay for unskilled workers is determined only after periodic surveys have established a figure which will provide a reasonable standard of living and prove attractive to employees without being so much greater than the average prevailing rate as to deprive local civilian industries of

³ See footnote 6 to despatch No. 39 from Panama, February 3, p. 708.

an adequate labor supply. I believe that any basic departure from this locality wage policy for unskilled labor would tend to have an unfortunate reaction in other employment areas of the National Military Establishment, since it is in effect not only for overseas commands, but within the United States as well. However, in view of the strategic importance of the Canal, and therefore of our relations with Panama, you may feel that it is desirable to make exceptions for Panamanian labor employed in the Zone.

I should like to inform you that within the last few weeks there has been added to my staff a Personnel Policy Board, pursuant to the authority vested in me by the National Security Act of 1947. This Board, whose chairman is Mr. Thomas R. Reid, is now responsible for establishing personnel policies governing all military and civilian employees of the National Military Establishment, including those outside the continental limits of the United States. I anticipate that the Board, in cooperation with representatives of the Army, Navy, and Air Force and the Personnel Board now established in the Canal Zone, will be able to arrive at a long term solution of labor problems in the Canal Zone which will be satisfactory to the Republic of Panama and to ourselves.

I will welcome your views on the advisability of taking further action at the present time.⁴

Sincerely yours,

LOUIS JOHNSON

⁴ For the Department of State's reply, January 17, 1950, see p. 744.

819.00/4-2949

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA, April 29, 1949.

No. 160

SIR: I have the honor to refer to the BID report, cited in this Embassy's telegram 244 of April 7, 1949,¹ detailing the revolutionary plans in which Wilson W. Brown² had a considerable participation.

The Embassy is now reliably informed that the Panamanian Government was able to anticipate the projected coup and arrest the prin-

¹ Not printed.

² Ambassador Davis had reported in telegram 269 from Panama City, April 19, 1949, that Mr. Brown, an American, was arrested by the authorities in connection with an alleged revolutionary plot against the Panamanian Government. He stated also that the Embassy would protect Mr. Brown only to the extent of securing him a fair hearing. (819.00/4-1949) In telegram 480 from Panama City, August 6, 1949, the Embassy reported that Mr. Brown, free on bail, had left Panama with the consent of Panamanian officials (819.00/8-649).

cipal participants³ as a result of having received from the United States Army Caribbean, approximately five weeks ago, the information contained in the BID report cited. This was effected by the G-2 of that organization, after clearance with his Chief of Staff, through the officer maintaining liaison with the Panamanian National Police. As a consequence of this action, the Liaison Officer reports, quite understandably, that the Army's relations with the National Police have never been better.

This report is made as a matter of record and it is respectfully requested that no action be taken thereon. It is my intention, however, to discuss the question at an appropriate time with the Commander in Chief of the Caribbean Command.

Respectfully yours,

MONNETT B. DAVIS

³ In telegram 273 from Panama City, April 21, 1949, the Embassy had stated that Harmodio Arias and a number of other prominent Panamanians had been arrested following detailed interrogation of Mr. Brown by the police (819.00/4-2149).

711.19/7-549

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA, July 5, 1949.

No. 277

Subject: Program to Improve Relations with Panama; Highway Conventions.

SIR: I have the honor to refer to the third and eighth numbered points in the latter part of despatch No. 39 of February 3, 1949, regarding the proposed negotiation of a new convention dealing with transit rights for the Armed Forces, road maintenance, and the formalization of the realignment of the Colón Corridor. One of the principal reasons why a new convention is needed is that there are at least five separate agreements relating to the above subject dated from 1936 to 1947, varying in formality from formal treaties to executive agreements effected through the exchange of notes. All five moreover are largely out of date, overlap in some respects, and at the same time fail to cover certain important aspects of the problem. An endeavor has been made accordingly, in complying with the Department's instruction No. 4 of January 19, 1949, to cover in a single draft convention and in a form applicable to present conditions, not only the points outlined in the above instruction, but also the provisions of the following treaties and agreements which need to be preserved:

1. The Trans-Isthmian Highway Convention of March 2, 1936, Treaty Series 946.

2. Exchange of Notes dated August 31 and September 6, 1940.¹

3. Point V of the General Relations Agreement of May 18, 1942, Executive Agreement Series 452.

Originally it was intended to include in the new draft convention an article formalizing the proposed rectification of the description of the Colón Corridor, Madden Dam road and provisions relating to certain bridges and overpasses as provided for in Articles VIII and IX of the General Treaty of March 2, 1936, as set forth in an exchange of notes dated May 26, 1947.² Since the amendment of a major treaty is involved, and since the purpose is merely to formalize corrections already agreed to in an exchange of notes, it has been decided to prepare a separate draft convention for this purpose, which will make it possible to state when submitting the proposed treaty for ratification that it contains only an accurate description of the sections of the highway concerned to which both governments agreed some time ago.

There are now enclosed, accordingly, for the Department's consideration, two draft conventions,³ the first formalizing the agreement effected by exchange of notes of May 26, 1947, as explained in the foregoing paragraph, and the second, dealing with long-term road maintenance, transit rights for the Armed Forces and other matters now covered by the agreements included in the above list. There is also enclosed an explanation prepared by First Secretary Carlos C. Hall⁴ setting forth the reasons for certain deviations in the proposed draft from the lines suggested in the Department's instruction No. 4 of January 19, 1949, together with a discussion of the comparatively few points on which the views of the Embassy differ from those of the Armed Services and Administration of the Panama Canal. It will be noted that the latter draft has been worked out in collaboration with the military and civilian authorities in the Canal Zone, and that it represents an agreed draft, except in the case of a few points concerning which the views of the Armed Forces and the Canal Zone Administration are fully stated. Copies of the draft agreement delimiting the Colón Corridor, etc., which comprise a rearrangement and formalization of already agreed upon stipulations, have been transmitted to the Governor of the Canal Zone with a request for his comments. When received, these will be forwarded to the Department.

The attached drafts are being submitted to the Department for study and such amendment as may be deemed necessary without awaiting

¹ For the agreement between the United States and Panama, supplementing the Convention of March 2, 1936 relating to a Trans-Isthmian Highway, see EAS No. 449, or 58 Stat. (pt. 2) 1599.

² For the Colón Corridor Agreement effected by an exchange of notes on the later date, see TIAS No. 2029.

³ Neither printed.

⁴ Not printed.

any formal notification from the Panamanian Government that it is ready to negotiate these agreements.⁵ In this connection reference is made to the Embassy's formal notifications regarding the completion on June 13, 1949 of the 1150 feet of the Trans-Isthmian Highway at its junction with Randolph Road and other highways, and the termination of United States responsibility for further expenditures for construction and maintenance during the period of stabilization. Reference is also made to the reply from the Panamanian Foreign Office. See confidential despatch No. 212 of May 24, 1949, with copy of Note No. 172 of May 24, 1949.⁶

Respectfully yours,

MONNETT B. DAVIS

⁵ Ambassador Davis reported in telegram 659 from Panama City, November 4, 1949, that the Foreign Minister had advised him a note was being sent to the Embassy expressing willingness to negotiate a new highway maintenance convention (711.19/11-449).

For the Colón Corridor Convention signed at Panamá May 24, 1950, see TIAS No. 3180, or 6 UST 461. For the Highway Convention signed at Panamá September 14, 1950, see TIAS No. 3181, or 6 UST 480. For the Department's press release of June 24, 1949 on the completion of the Boyd-Roosevelt (Trans-Isthmian) Highway, see Department of State *Bulletin*, July 11, 1949, p. 39.

⁶ Neither printed.

711.1928/8-1749

The Secretary of State to the Diplomatic and Consular Offices in the American Republics, Except Panama

RESTRICTED

WASHINGTON, August 17, 1949.

SIRS: The Department's attention has been called on numerous occasions to instances in which Panamanian consuls in foreign ports, acting apparently under instructions from their Government, are demanding that Panamanian documentation (i.e., passenger and crew list visas and certification of cargo manifests) be obtained for vessels not bound for Panamanian ports but bringing to Canal Zone ports cargo and passengers destined ultimately to enter Panama or in transit to other countries. In some countries the local port authorities have been prevailed upon to refuse clearance to vessels without such documentation. This practice has resulted in considerable confusion and is viewed by this Government as a violation of Articles II and III of the Convention of November 18, 1903 and of Article V of the General Treaty of 1936 between the Governments of the United States and Panama.

These treaty provisions deal clearly and specifically with the question of jurisdiction in the Canal Zone. Article II of the Convention of November 18, 1903 states:

"The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land

under water for the construction, maintenance, operation, sanitation and protection of said Canal . . .”

Article III of this Convention states:

“The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.”

Article V of the General Treaty of 1936 states in part:

“. . . The Republic of Panama has the right to impose upon merchandise destined to be introduced for use or consumption in territory under the jurisdiction of the Republic of Panama, and upon vessels touching at Panamanian ports and upon the officers, crew or passengers of such vessels, the taxes or charges provided by the laws of the Republic of Panama. . . . However, the Republic of Panama shall not impose or collect any charges or taxes upon any vessel using or passing through the Canal which does not touch at a port under Panamanian jurisdiction or upon the officers, crew or passengers of such vessels, unless they enter the Republic . . .”

The right implied in Article V of the 1936 Treaty to collect charges from officers, crew or passengers who enter the Republic clearly does not confer any right to collect charges from the vessels bringing them to the Canal Zone. Under Article V Panama has “the right to determine what persons or classes of persons arriving at ports of the Canal Zone shall be admitted to the Republic of Panama and to determine likewise what persons or classes of persons arriving at such ports shall be excluded from admission to the Republic of Panama.” Since, however, this same article provides that, for the implementation of this right, “the Republic of Panama shall have the right of free access to vessels upon their arrival at the Balboa or Cristobal piers or wharves with passengers destined for the Republic,” it is evident that this right is to be exercised only after the arrival of the persons concerned at Canal Zone ports.

Several notes of protest over this practice addressed to the Panamanian Government by this Government have failed to elicit any reply. Since Canal Zone ports are entirely under the jurisdiction of the United States, and inasmuch as the Republic of Panama is excluded by specific treaty provisions from any participation whatsoever in the administration of the Canal Zone, this pretension on the part of the Panamanian Government can hardly be successful. As a practical matter, means of enforcing this requirement are lacking, since

in the circumstances officials of the United States Government in the Canal Zone obviously would not enforce a regulation of the Panamanian Government which is considered contrary to pertinent treaty provisions.

You are accordingly requested to inform interested official and private persons that Panamanian documentation is not required of, nor should it be obtained for, vessels transiting the Canal and/or calling solely at Canal Zone ports, nor is it required of passengers traveling in such vessels. You may further state that the requirement of such documentation would constitute not only unnecessary inconvenience and expense for the individuals and companies concerned but that it is at variance with provisions of pertinent treaties governing the status of the Canal Zone. In those countries where the local authorities are actively cooperating with the Panamanian Consuls in the enforcement of this practice, you are requested to inform officially the Government to which you are accredited of the views and position of this Government in the premises.¹

Very truly yours,

For the Secretary of State:
WILLARD F. BARBER
Deputy Assistant Secretary

¹ In despatch No. 363 from Panama City, August 23, 1949, the Embassy reported that in Note 225, August 18, 1949, it had informed the Foreign Office of the contents of this circular (711.1928/8-2349).

Ambassador Davis reported in despatch 583 from Panama City, December 3, 1949, that Panamanian consuls at certain ports were still issuing crew and passenger-list visas for ships bound for the Zone, but were no longer certifying cargo manifests (711.1928/12-349).

711F.1914/10-1049

*Memorandum by the Acting Assistant Chief of the Division of Central American and Panama Affairs (Bennett) to the Assistant Secretary for Inter-American Affairs (Miller)*¹

[WASHINGTON.] October 10, 1949.

As an indication of current thinking in the Defense Department relative to the need of defense sites in the Republic of Panama, remarks of Lt. Gen. Matthew D. Ridgway² during a recent conversation

¹ Also addressed to Willard F. Barber, Deputy Assistant Secretary of State for Inter-American Affairs; Paul J. Reveley, Director of the Office of Middle American Affairs; and Murray M. Wise, Acting Officer in Charge of the Division of Central America and Panama Affairs.

² Commander in Chief, Caribbean Command, up to September 1949.

with Mr. Vicinus, INP, as reported to be [*me?*] by the latter, are of interest. In discussing with Mr. Vicinus material for a forthcoming article in a Brazilian publication on hemisphere military strategy, General Ridgway said that Defense planning has changed so markedly from what it was even as recently as 1947 that there is no longer any desire on the part of the Defense Department for bases in the Republic of Panama. General Ridgway remarked to Mr. Vicinus that there is not only no intention at this time to request negotiations for new sites, but that the Defense Department would be "embarrassed" were Panama to raise the question on her own initiative since Defense would then be forced into taking publicly a negative position. . . .

S19.00/11-2349 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

CONFIDENTIAL
NIACT

PANAMA CITY, November 23, 1949—2 p. m.

730. National Assembly convened afternoon November 22 and took up question resignation Dr. Daniel Chanis, Jr.¹ At first vote on minor issues indicated majority favoring acceptance resignation but the dramatic appearance in Assembly of Chanis in person resulted in complete reversal of attitude.² Embassy informed Assembly approved by acclamation motion permit Chanis withdraw resignation.

With characteristic Latin fervor Assembly members surrounded Chanis and accompanied by approving crowd of citizens started conduct him back to Presidencia. At Cathedral Plaza police fired on crowd wounding number people including prominent deputy from Chirique Province, Gonzalez Rivilla. Former President of Assembly Aguilera also suffered injuries and at least one child was killed.

This action by police is contemplated to cause serious repercussions and yesterday's statement by Assistant Secretary Miller is considered

¹ Dr. Chanis was Provisional President of Panama from July 28, 1949, because of the illness of Sr. Diaz, and became President upon the latter's death August 23. He resigned on November 20; for the circumstances of his resignation see despatch No. 550, November 25, from Panama, *infra*.

² In despatch No. 584 from Panama City, December 3, 1949, Ambassador Davis reported he had been told by an informed source that followers of Harmodio Arias, together with members of the Frente Patriótico de la Juventud, had played an important role in arranging Dr. Chanis' appearance before the Assembly (S19.00/12-349).

particularly opportune.³ Initial reaction of public seems to be entirely unfavorable to police.

Embassy informed Dr. Chanis took refuge in private house and unconfirmed report has been received that he returned to his home unmolested. It is understood Roberto Chiari convened last night's Cabinet meeting at which it was decided continue *status quo* until situation clarified.

DAVIS

³ According to a transcript of his press conference held November 22, 1949, Edward G. Miller, Jr., Assistant Secretary of State for Inter-American Affairs, had stated in part: "[Dr. Chanis] was the President of the duly elected government and came into power in a constitutional manner. He was forced to leave his position under duress. We therefore deplore that. I also had formed a very good opinion of the Vice President who was a member of the same government, Mr. Chiari. However, the situation down there seems to be unclear and the basic problem remains unsolved, namely, the problem as to whether the national police is going to subordinate itself to duly-constituted civilian authorities.

"As far as concerns the purely technical point of succession, as Mr. McDermott stated yesterday, no question of recognition has thus far arisen in connection with the succession to the Presidency of the former Vice President Chiari. We take that position upon the assumption that the action of the Supreme Court of the Republic in passing upon the resignation and succession on Sunday was done in accordance with the constitutional processes of the Republic of Panama. We are clearly not in a position to go into questions of a purely domestic nature of that type." (S19.01/11-2249)

S19.00/11-2549

The Ambassador in Panama (Davis) to the Department of State

[Extract]

CONFIDENTIAL

PANAMA, November 25, 1949.

No. 550

The President informed Ambassador Davis at noon on Saturday, November 19, that he intended to call the Commander of the National Police, Colonel José A. Remon, to the Presidencia at 4:00 p. m. that afternoon, ask him to resign, and replace him with Colonel Rogelio Fabrega who once before held the post and was later Consul General of Panama in New York. The President also proposed to replace the second and third ranking officers of the National Police, Lieutenant Colonel Bokvar Vallarino and Major Saturnino Flores with, respectively, Major Oscar Ocaña Vieto, head of the police in Colón, who had served for many years as an officer of the National Police, had once commanded the Presidential Guard, and served as Military Attaché to Guatemala and Costa Rica, and Major Manuel Palau, Commander of the Presidential Guard and former police officer.¹

¹ In telegram 706 from Panama City, November 19, 1949, 5 p. m. Ambassador Davis had said in part: "Embassy has high opinion President's integrity and moral character. There is no doubt however that his precipitate action will occasion crisis and expose his administration to serious danger from elements that would profit by its overthrow." (S19.00/11-1949)

President Chanis said that he felt impelled to take this action because of police corruption stemming from the top. It is believed that he considered particularly intolerable the open scandal in the slaughter of cattle and distribution of meat (Embassy's despatch 496 of October 29, 1949²).

The President said he intended to use armed resistance, placing his reliance in the Presidential Guard, in defending himself and the Presidencia if Col. Remón or the police refused to accept his decision and resorted to force.

Col. Remón was late to the appointment but arrived at the Presidencia at 5:30 p. m., was asked for his resignation and was detained there. President Chanis then sent Minister of Government and Justice Abilio Bellido, the cabinet officer nominally in charge of the police, with Fábrega, Ocaña and Palau to police headquarters with instructions for them to assume command of the police. However, all of these gentlemen were held at the headquarters and were not permitted to carry out their instructions. President Chanis then communicated with Lt. Col. Vallarino, ordering him to transfer police command to the new nominees. Instead of complying, Vallarino asked to talk with Col. Remón and, upon being refused permission, sent police units to surround the Presidencia; whereupon the President dispatched to police headquarters Col. Remón, who was thus set at liberty, with a negotiating committee composed of David Samudio A., Minister of Public Works, Roberto F. Chiari, First Vice President, Ramón Jimenez, Minister of Finance and Treasury, Gregorio Miro, Chief Justice of the Supreme Court, and ex-Presidents of the Republic Ricardo Adolfo de la Guardia and Dr. Ricardo J. Alfaro. Col. Remón sent back an ultimatum to the President to resign before 2:00 a. m. Sunday, November 20, or he would have the police attack the Presidencia. The President refused to resign and announced his intention to resist the attack but as the 2:00 a. m. deadline approached ten Chiefs of Mission accredited to Panamá, including the Dean, Peruvian Ambassador Dr. Emilio Ortiz de Zevallos, Ambassador Davis and the Papal Chargé Monsignor Paul Bernier, called at the police barracks, urged an extension of time before the police attack basing their interest on humanitarian grounds. Ambassador Davis emphasized especially the importance which the United States has always attached to democratic processes and to constitutional methods. The Chiefs of Mission made it clear that they were in no way intervening in the internal affairs of the Republic but were seeking to avoid bloodshed. As a result of their efforts, the police extended the deadline but still

² In this despatch the Ambassador reported that a meat slaughtering monopoly enjoyed by a cooperative in which police officials were interested had been declared unconstitutional, and that since the court decision the cooperative had maintained its preferred position by open use of force. (819.00/10-2949)

threatened to attack the Presidencia before dawn if their terms were not met.³

The President then sent Minister Samudio, ex-President Ricardo Adolfo de la Guardia and Augusto S. Boyd, Jr., former Secretary to de la Guardia during his presidential term and son of an ex-President, to the Police proposing that President Chanis request a leave of absence for six months, Vice President Chiari become acting President, the three police commanders be ousted, but that none of the other police officers be removed. Major Flores and Major Alfredo Gomez, speaking for the officers of the police, replied that no condition involving the removal of Remón and Vallarino would be accepted.

President Chanis finally agreed to the police ultimatum, gave his resignation to Aquilino Boyd, President of the National Assembly, and left the Presidencia for his home in Panama City and a return to private life with the statement "I believe I have acted in the best possible interests of the country" and that his decision to resign was "in order to avoid bloodshed". Under Article 146 of the Constitution the resignation must be presented to the National Assembly for acceptance or rejection. Dr. Chanis resigned just three months and twenty-four days after becoming provisional President on July 28, 1949 and two months and twenty-eight days after assuming office on the death of ex-President Domingo Diaz Arosemena August 23, 1949.

Members of the Supreme Court were summoned to swear in Vice President Roberto F. Chiari as President of the Republic and Remón triumphantly announced that "the Police Department will remain exactly as it is". The Justices took this action with some reluctance since earlier in the night two of their number, Jurado and Morales, had been detained by the Police.

Because the first open action was taken well after nightfall, the population in general knew nothing of the events while they were in progress. Police guards were stationed at strategic points throughout the city, radio stations were closed down and telephone service disconnected. Ex-President Arnulfo Arias was arrested at his estate in Boquete on Saturday evening but was released at Remón's order early Sunday morning. Dr. Chanis knew, of course, the risk involved when he made his decision to attempt to replace the police command and apparently is not only reconciled to his loss of the Presidency but

³ The Department's telegram 446, November 21, 1949, to Panama, said in part: "Thus far action of dipl[omatic] corps appears to have been wholly constructive. Our only additional suggestion is that in future discussions with Panamanian officials you might wish in so far as you deem appropriate to act in concert with dean dipl[omatic] corps and papal chargé so as to avoid ground for criticism unilateral action on our part." (819.00/11-2149)

For the Department's press release of November 21 regarding the action of the diplomatic corps on the night of November 19-20, see Department of State *Bulletin*, November 28, 1949, p. 800.

relieved to be discharged of the obligations of his office under existing conditions and to be returning to private life. He smilingly told the Ambassador and Counselor Hall that he would be glad to attend them as patients since he is resuming the practice of medicine.

There is enclosed a copy of an editorial, with an office translation, from *La Estrella de Panama* of November 21, 1949,⁴ which reflects the general dismay with which these events have been viewed by the thinking public.

For the Ambassador:
G. WALLACE LA RUE
Second Secretary of Embassy

⁴ Not printed.

S19.00/11-2549 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

SECRET NIACT

PANAMA CITY, November 25, 1949—9 a. m.

751. Embassy comment: When within half hour after Supreme Court rendered decision (Embtel 750, November 25¹), Remón carried out his threat to conduct Arnulfo Arias² to Presidencia it constituted dramatic betrayal group who countenanced use of force five days ago to overthrow Chánis allegedly because of fear of Arias' influence (Embtel 735, November 28 [23?] ³). Prominent politicians who supported Arias' coup last night included Caniel Crespo, Jorge Ramirez Duque, Ernesto De La Guardia Jr., Major Alfredo Aleman, Deputy Alfredo Aleman Jr., Temistocles Diaz son of late President Diaz and José E (Baby) Jimenez of meat racket fame. Inclusion of last bears out Chiari prophecy (Embtel 722, November 21³) that racketeers would find it easy to come to terms with Arnulfo Arias.

While action Remón and Arias may evidence flattering confidence reality our non-intervention policy, it shows also a cynical disregard of principles democratic and otherwise, and complete disdain for our oft repeated expressions of policy. It is believed Remón and his gangster associates are incapable understanding international implications,

¹ Not printed. In telegram 746 from Panama City, November 24, 1949, not printed, Ambassador Davis reported in part that the Supreme Court had declared Dr. Chánis to be President of Panama (S19.00/11-2449).

² Dr. Arnulfo Arias Madrid, President of Panama from 1940 to 1941 and a candidate in the 1948 presidential election.

³ Not printed, but see footnote 5 to the memorandum of November 28, 1949, from Murray M. Wise, Acting Officer in Charge of the Division of Central America and Panama Affairs, to Mr. Miller, p. 730.

and since they do not care about their own country's reputation and prestige it is idle to expect them have any regard for ours.

Apparently it is their idea that they can be brazen about their illegal procedure and yet insist we recognize decisions forced upon their judicial and legislative branches. One of their first acts has been to obtain a reversal of the electoral jury's decision to declare Arnulfo Arias the duly elected president,⁴ and while ignoring the Supreme Court decision (Embtel 750, November 25) recognizing Dr. Chanis as President, it is clear they intend to ask us recognize their government pursuant our policy accept decisions constitutional bodies. Our position on electoral count decision declaring Domingo Diaz president is very clear,⁵ that is decisions not under duress are accepted, it being responsibility Panamanian Government manner in which courts and other bodies function. It is believed we should deal frankly with this question in order make US position clear before present regime has time becloud issue. We should make clear that had electoral jury declared Arnulfo Arias President in 1948, decision would have been accepted unquestionably and recognition would have been automatic. The electoral jury, however, declared its [*his?*] opponent elected, and whether decision fair or not was not responsibility US Government to determine. Whatever the circumstances we cannot agree they justify the illegal seizure of power by use of force and disregard of Supreme Court decision. Hence recognition cannot be extended official acts by judicial, legislative and other government bodies under government that has its being through illegal use of force. If that force will depose presidents, it obviously will brook no freedom of expression in courts or legislature.

Our reaction to latest coup should be prompt and clear, and to be effective measures should be taken contemplated make some impression on mentality Remon et al.

Since we have let it be known we would be guided by action of National Assembly and Supreme Court, it would be logical to do, stating US Government therefore recognizes Chanis as constitutional president and is prepared proceed conduct of normal business once illegal interference by force ceases to impede. This course should not, however, be taken unless we are prepared to make determined stand and see it through, making it clear no action by illegal government will be recognized and efforts to apply pressure will be countered by

⁴ This sentence was apparently transmitted incorrectly. In despatch 556 from Panama, November 26, 1949, the Embassy relayed the electoral jury's decision, taken the night of November 24, to revise the final tabulations in the 1948 presidential election and to declare Dr. Arias the winner. That same night the National Assembly declared Dr. Arias to be President. (819.00/11-2649)

⁵ The jury had declared Diaz the winner on July 30, 1948; see *Foreign Relations*, 1948, vol. ix, p. 657, footnote 1.

all measures short of intervention. Such a course would be gratifying to real friends of the United States and democracy and those having regard for principle, but would expose us to the malicious attacks and acts of reprisal on the part of an unscrupulous and brazenly dishonest combination of some of the worst elements in this part of the world.

If we are not prepared to refuse to accept obviously dishonest legal fictions, we should merely express disapproval of illegal nature of coup and prepared to recognize it as *de facto* eventually. If we recognize government, there will be no question of conditions such as calling elections since we would be accepting the reversal of previous electoral court decision. If we take latter course, it is believed Arnulfo Arias will quickly establish himself firmly by combination of intimidation and other high-handed means and will probably dispose of Remon by fair means or foul. His dictatorship can be expected to be absolute and I am confident he will cooperate with our enemies to our embarrassment. We need have no illusions about the loss of prestige we shall suffer, the outpouring of abuse and misrepresentations that will be inspired, and the difficulties our interests will encounter. Frankly, I feel our character rather than our sincerity is on trial and I recommend a correct but uncompr[om]ising course. At diplomatic corps meeting called for 11:30 a. m., I shall state that Embassy is awaiting instructions on question of recognition.

DAVIS

819.00/11-2649 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

NIACT

PANAMA CITY, November 26, 1949.

760. No editorial comment yet on Assistant Secretary Miller's recognition statement.¹ Text of Arnulfo Arias reaction:

"In connection with the news that has circulated today on the possible suspension of diplomatic relations with Panama on the part of the Department of State, I consider it my duty to state, for the sake of the country's tranquility, that such news must not be cause for alarm, for everything points to the fact that it was issued when the Department still lacked exact knowledge of the latest action by the National Board of Elections and by the National Assembly. We must have confidence in the justice of our cause and in the spirit of justice

¹ For a summary of the press conference of November 25, 1949, at which Mr. Miller stated that diplomatic relations between the United States and Panama did not exist, see Department of State *Bulletin*, December 12, 1949, p. 910. For the Secretary's statement confirming Mr. Miller's remarks, released to the press November 30, see *ibid.*, p. 911.

of the United States. And we must also be certain that when the latest events are known there, the Department of State will reach the inescapable conclusion that the Government which (*sic*) I have the honor presiding, represents, without doubt, the will of the immense majority of the Panamanian people at the polls, as evidenced in the elections held on May 9, 1948, and has been started within the framework of the Constitution and the law.

DAVIS

819.00/11-2649

Memorandum of Telephone Conversation, by the Acting Officer in Charge of the Division of Central America and Panama Affairs (Wise)

RESTRICTED

[WASHINGTON,] November 26, 1949.

Participants: Monnett B. Davis, American Ambassador to Panama.
Edward G. Miller, Jr., Assistant Secretary of State.
Murray M. Wise, Acting Officer in Charge, Central America & Panama Affairs.

The Department telephoned Ambassador Davis to receive up-to-date information on the situation in Panama. The Ambassador stated that Mr. Miller's statement to the press on Friday¹ was excellent and had had the effect in Panama which we desired. He added that it was good tactics to make known our displeasure over the way the Government had come into power. According to the Ambassador, the *Star & Herald* had printed that morning Mr. Miller's complete statement to the press.

Mr. Miller informed the Ambassador that he had talked to the Director General of the Pan American Union, the Mexican, Brazilian and Colombian Ambassadors, and to the Chilean Chargé d'Affaires and that they were going along 100% with our views and statements.

Mr. Miller said that he would like to make three significant points to the Ambassador with regard to recognition of the new Government. They were: 1) nothing would be done by the Department without first checking with the Ambassador; 2) recognition would not be extended until after consultation with the other American republics; and 3) consultation would not begin for some days.

Ambassador Davis then stated that in Panama he and his staff would follow a complete policy of non-recognition and would continue to express, when convenient, our displeasure, not over individuals but over the manner in which the new Government assumed power.

¹ November 25; see footnote 1 to telegram 760, *supra*.

The Ambassador spoke of the strikes in Panama and said that there was developing a serious shortage of gasoline. He said there had been considerable effort made to obtain gasoline from the Canal Zone but that the strikers in Panama City were ready to stone, or even seriously endanger the lives of anyone who attempted to move gasoline. Accordingly, the Ambassador felt that he could not ask any cooperation from the Zone. Mr. Miller told the Ambassador that he thought the best policy was for Americans not to interfere in any way with the strikes or make any attempt to break them.

The Ambassador felt there was a great danger that in Panama there would be a campaign by the press to misrepresent the U.S. position and to say that the U.S. was endeavoring to have Arias thrown out of office. Mr. Miller stated that propaganda against us was inevitable and that we must first make sure our course is correct and then pursue it irrespective of press comment.

M[URRAY M.] W[ISE]

819.00/11-2849

*Memorandum by the Acting Officer in Charge of the Division of Central America and Panama Affairs (Wise) to the Assistant Secretary of State for Inter-American Affairs (Miller)*¹

CONFIDENTIAL

[WASHINGTON,] November 28, 1949.

I think the point made in Mr. Barber's memorandum of today's date² is well taken; namely, that we should be careful not to back Arnulfo Arias into a corner and thereby run the risk of making him more anti-American than he has been in the past.

In a telephone conversation yesterday,³ Ambassador Davis remarked that while a new *coup d'état* is possible, it is not very probable and that the "optimismo" about which Enrique Jiménez⁴ spoke on Saturday actually did not obtain so much on Sunday. Therefore, it appears that Arnulfo may be on the throne to stay. There can be no doubt that he won the election last year and was cheated out of the Presidency by the fraudulent actions of the electoral jury. Arnulfo has great popular support in Panama.

Last week, Arnulfo quickly formed a coalition cabinet and proceeded rapidly to organize the rest of his Government. The main

¹ This memorandum was addressed also to Mr. Barber; Edward G. Cale, Deputy Director of the Office of Middle American Affairs; Thomas C. Mann, Special Assistant in that Office; and William B. Sowash of the Division of Central America and Panama Affairs.

² Not printed.

³ Memorandum not printed.

⁴ Enrique A. Jiménez, President of Panama from 1945 to 1948.

problem still existing, in my opinion, is the question of the relationship between Police Chief Remón and Arnulfo. I do not see how the strange alliance of these two individuals can last long. They have been bitter enemies and Ambassador Davis reports that Panama was shocked and stunned when Remón suddenly put Arias into the Presidency. Only one explanation can be found for this. It is that Remón was anxious to give his political enemies, the Jimenistas, the Chanistas and others, a blow such as only the designation of Arnulfo as President could.

Arnulfo claims to have the resignations of Remón, Vallarino and Flores, the top police officials. Arnulfo has announced this publicly. Ambassador Davis says Arnulfo does not have the resignations. This again may be a deal between Arnulfo and Remón to appease the students and bring the strikes in Panama to a halt. If so, it still does not solve the basic problem of the relationship between the two leaders. It may be that eventually they can agree on police heads who will satisfy them both. It does not seem probable that Remón and Arnulfo can continue to hold their respective offices at the same time. If both insist, there could conceivably result in Panama a very nasty situation; even serious bloodshed.

Remón is powerful. He was a Captain in the police force under Arnulfo 1940-1941, when the famous Masegosa was Chief. He was second in command under Fabrega during the administration of Ricardo Adolfo de la Guardia, 1941-1945. He has been Chief of Police since under the administrations of Jiménez, Diaz and Chanis.

In this whole deal, Harmodio Arias must have been as much surprised as anyone. His lucrative cattle business was greatly damaged by Remón's racketeer slaughtering. I imagine that when Harmodio, through a representative, insisted that Chanis have a showdown with Remón,⁵ he little anticipated that it would eventually result in Arnulfo, his brother, becoming President. The Arias brothers, as is well known, have a very strained relationship. The influence of the powerful Harmodio will still be felt in Panamanian politics. When all these factors are taken into consideration, it may be that the political scene in Panama will remain tense for some time to come.

When Arnulfo returned to Panama from exile in 1945 he talked of obtaining a visa in order to visit the United States. He stated that his purpose in coming here would be to convince United States authorities that he was not as bad as he had been pictured and that he could and would cooperate with the United States if given a chance.

⁵ Ambassador Davis had reported in telegrams 722 and 735 from Panama, November 21 and 23, respectively, information leading him to believe that Harmodio Arias was connected with Dr. Chanis' firmness towards the police (819.00/11-2149 and 819.00/11-2349).

He may have been pro-Nazi earlier because he was convinced that Germany would win the war and that it was in his best interests to play the winner. He may even have had the grandiose idea that out of the war Panama would be given the Canal and the Canal Zone. In any event, I believe Arnulfo was more fascist or totalitarian than Nazi.

Arnulfo is intelligent and shrewd and can make himself one of Panama's strongest Presidents. It would not be too risky to predict if he can firmly establish himself and organize a loyal government behind him that he might decide to cooperate rapidly and effectively with the United States and take an aggressive initiative in endeavoring to settle many pending problems successfully.

M[URRAY M.] W[ISE]

819.00/12-149 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA CITY, December 1, 1949—10 a. m.

PRIORITY

781. Embassy comment general situation (mytels 780, November 30¹ and 751, November 25). Conditions are improving despite tension between government and police and continued opposition Communist-influenced students. Demoralized united liberals have split up into warring factions, while Arnulfo Arias with undoubted large popular following is gaining adherents daily. He is saying all the right things and influential sections American business community now favor early recognition.

Arrangements have been made in collaboration with Commanders-in-Chief Carib² and Governor Panama Canal³ to reduce to minimum hardship to population resulting from non-recognition. US position is generally understood and respected thanks to clear and timely statements of Department to press. Embassy is avoiding any contact with government or other political elements, but has exerted some influence indirectly through trusted members of American community in order to prevent harmful misunderstanding or press attacks designed to hasten recognition. It has been made clear that US action is one of disapproval of means by which government assumed power and not of persons involved, that non-recognition is not political intervention, that US values highly increased confidence of Panamanian public re-

¹ Not printed.

² Lt. Gen. Matthew D. Ridgway.

³ Brig. Gen. Francis K. Newcomer.

cently achieved, and that press criticism affecting this confidence adversely would not hasten recognition.

Dean Diplomatic Corps ⁴ advises that so far as he knows no country represented here has made move locally to recognize government, all apparently awaiting result consultations. It now appears possible government may soon be able meet three conditions viz. "de facto" control, ability and willingness meet obligations, and acquiescence great majority of people (reference Deptcircinstr June 8, 1948 ⁵).

Embassy comment. It is timely accordingly summarize as follows:

Chief disadvantage recognition is that common to similar situations elsewhere, viz. criticism at home and abroad, compromise democratic principles and alleged preference governments imposed by force that will respect our interests. Arias is making strenuous efforts give government legal and democratic aspect at least. He is receiving impressive cooperation from Assembly and people despite weakness legal position.

Greatest uncertainty locally is outcome struggle of government to free itself of incubus of thoroughly discredited police clique that put it into power. It is unthinkable that Arias capable of accepting police domination, and it certainly would be against government's political interests even to tolerate prolonged presence Remon et al and continuation rackets in their hands. Police on other hand have thus far refused accept any solution involving resignation present chiefs and Arias knows precipitate action would be fatal his government. Every day that passes however, is believed to make police coup against present government more hazardous for police, and in any event they would find the ousting of tough, experienced Arias quite different from forcing out the conscientious, genteel Dr. Chanis or the belatedly correct Roberto Chiari. Backed by enthusiastic supporters throughout republic who neither know nor care about any fine spun legal or moral questions, Arias is gaining in strength. His followers, many of whom are now said to be armed, would react violently if the now hated police chief should attempt to overthrow their idol. His possible assassination might even provoke another Bogotá ⁶ with much graver consequences for US. It is believed Arias can be relied upon not to be precipitate but to outwit present police leadership eventually. In view difficulty this problem Embassy does not expect early solution.

Recognition will disappoint upper classes here, many of whom incidentally have forfeited much right to consideration because of will-

⁴ Emilio Ortiz de Zevallos, Ambassador of Peru.

⁵ Not printed.

⁶ For documentation on the Ninth International Conference of American States which met at Bogotá from March 30 to May 2, 1948, see *Foreign Relations*, 1948, vol. ix, pp. 1 ff.

ingness to abandon constitutional procedures. They will nevertheless be resentful and critical of our action.

A further disadvantage will be the risk we shall run in exposing our interests to a man who is notorious for his earlier phobia toward the US, disposition to be friendly with our enemies, and general instability. He and his friends assert that his attitude toward the US has changed completely and his Cabinet selections tend to give some confidence in this direction. The character risk is admittedly great but his self-interest should be our greatest protection if we can retain our present improved standing with the people of the country.

Chief reasons for recognition are that he seems to be establishing his government firmly with impressive popular support, that the disadvantages will not be dissipated by delay, that we are now risking being regarded by a large section of the public as attempting to prevent them from having the man of their choice, and that non-recognition inconveniences all concerned.

Recommendations follow in separate telegram.

DAVIS

S19.00/12-249 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA CITY, December 2, 1949—2 p. m.

790. In view improvement in situation and possibility Panamanian Government may be able qualify for recognition (Embtels 780¹ and 781 December 1), latter in two sections, it is suggested points of policy and tentative plans be adopted for use in the event Department decides after consultation with American states to extend recognition. Following is submitted for Department's consideration if above suggestion is approved:

1. It is recommended that a statement based on recognition policy as applied present case be prepared with view to forestalling at least some of the criticism to be expected in US and abroad. In order to counteract misunderstanding and false impressions here, it should stress fact that nonrecognition is not used by US as political weapon for or against any individual official or government, and that recognition does not necessarily mean approval of government or means by which it assumed power.

2. It is considered important that satisfactory assurances be obtained in advance that present government accepts as valid and binding official acts and commitments of previous governments, particularly the bilateral aviation agreement signed and ratified under Diaz regime. While not specifying any other agreements or understandings,

¹ Not printed.

such assurances would increase possibility that new regime might respect the undertaking to settle El Encanto and other claims forthwith on basis agreed upon some time ago, even though not confirmed by formal exchange of notes, and would probably cover adequately other matters affected by exchanges of diplomatic correspondence. These include arrangements for cooperative programs our agricultural missions, vocational education program of Institute Inter-American Affairs, etc.

3. An opportunity might be afforded in this connection for the Panamanian Government to confirm its policy already announced publicly with respect to the treatment it will accord foreign business interests in the Republic.

4. To the above may be added any other matters usual in such circumstances.

5. Consideration might be given to preparing also a brief statement of policy with regard to our relations with Panama designed to have good political effect on both the government and the general public for issuance before or just after recognition. If the Department wishes to follow this suggestion, the Embassy will be glad to submit draft for approval.²

DAVIS

² In a letter of December 3 to Ambassador Davis, not printed, Mr. Miller commented on this telegram as follows: "I have just read your long telegram giving suggestions as to the publicity in connection with possible recognition and I am fully in agreement with your point of view. If we can act aggressively and assuredly in these matters, we can sometimes even succeed in capitalizing on an apparent catastrophe and have our policies better understood." (819.00/12-349)

819.00/12-149 : Telegram

The Secretary of State to the Embassy in Panama

CONFIDENTIAL

WASHINGTON, December 2, 1949—7 p. m.

PRIORITY

473. Unless you perceive objection reurtel 781 Dec 1, 10 a. m. Dept now plans initiate soonest formal exchange views with FonOffs other Amer Reps regarding estab relations Arnulfo regime. Dept's basis exchange will indicate we have no evidence there has been intervention or other interference by any foreign govt and will center on question regime's (1) control admin and territory (2) ability and willingness meet internatl obligations. Informal discussions held to date with several LA Ambs Wash have reflected gen agreement our position as expressed publicly.¹

You requested weigh foregoing in view present situation Pan and comment immed.

ACHESON

¹ In a circular telegram of December 3, 1949, to diplomatic officers in all the other American republics except Panama and Cuba, the Department gave instructions to initiate consultations along the lines set forth above (819.01/12-349).

S19.00/12-349 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA CITY, December 3, 1949—2 p. m.

PRIORITY

794. Deptel 473, December 2. Comment on plan initiate consultations follows: Embassy perceives no objection; it also has no evidence intervention by any foreign government, and agrees two points mentioned should be determining factors. My telegram 790, December 2, should be considered part of comment requested.

If the warning (see paragraph 2 section 1, my telegram 781, December 1) should be disregarded that demagogic press criticism misrepresenting our Government and affecting adversely the confidence of Panamanian people in US will not be successful, it is considered important that we demonstrate convincingly that blackmailing tactics will not produce or hasten result desired but quite the contrary. This point of even greater importance since Embassy has convincing evidence Harmodio Arias has abandoned earlier efforts restore Dr. Chanis to Presidency and has joined forces with his brother.

Since Dr. Chanis would have owed his restoration to power to Harmodio Arias and the Communist-dominated youth organizations had attempted counter coup succeeded, we would have had Harmodio influence strongly entrenched in Administration and police with disadvantages that Dr. Chanis, although honest, is more easily misled and popular following Arnulfo Arias would blame US for latter's downfall. Party line propaganda is already blaming American imperialism for entire affair resulting so disastrously to Panamanian welfare and prestige.

It seems Harmodio Arias has succeeded in administering a thorough beating to his political enemies and is in a position to exert great, if not dominating influence on Government whether Dr. Chanis returns or his brother remains. The only alternative which would eliminate him would be successful coup by discredited and now disunited opposition parties, who certainly do not have popular support and so would have to depend chiefly on force to remain in power.

In summary it is recommended that we emphasize our policy to avoid intervening in Panamanian internal affairs and that Department proceed consult other governments on reasonably early recognition Arnulfo Arias as President.

DAVIS

819.00/12-349 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

SECRET

PANAMA CITY, December 3, 1949—3 p. m.

NIACT

795. Following comment refers my telegram 794, December 3. Embassy has had reason suspect from outset that Harmodio Arias was at bottom of recent events (Embdesp 584, December 3¹). It was obvious that Dr. Chánis was badly advised, and Embassy inclined agree with view expressed by *Times* correspondent to effect that coup would not have taken place had Enrique Jiménez been in Panama, and that it also would not have occurred had Harmodio Arias been absent. To effect removal of police, who were interfering with his cattle business, was important, though probably not principal reason motivating Harmodio, and after Chánis Government was forced out Harmodio Arias and his sons attempted effect return by whipping up political activity on part Communist-influenced youth organizations. Achieving this objective, they were frustrated by second coup d'état.

After long conference between Harmodio and Arnulfo Arias recently, leaders suddenly called off strike, and Embassy was given information reported by telephone to Murray Wise yesterday to effect Harmodio Arias is now endeavoring convince Col. Remón, Arnulfo and Panamanian people that US Government is making elimination police chief prerequisite recognition. AP Washington despatch published this a. m. will strengthen impression Harmodio thesis correct, and Embassy regards it as important we should not permit success this strategy since it attempts utilize US for selfish personal ends and makes US appear to be intervening in domestic affairs despite protestations to contrary.² Embassy understands Remón already responding to expert Harmodio treatment, and in great irritation is reverting to his earlier statement that President Chánis told him he was being asked to resign at insistence US Government (Embtel 721 November 21).¹ He talks of attempting press campaign in US to vindicate his honor. Embassy informed Remón told Acting Chief Civil Intelligence Service, Canal Zone, yesterday that he has no intention of resigning or making changes in police. It is Embassy's view that with Harmodio Arias supporting his brother, the statement in paragraph 3, Section 2, my telegram 781, December 1, to effect that delay favors Arnulfo can now be made more emphatically. In fact unless Remón acts quickly and decisively in the very near future, it is believed he will find himself unable to do so later as he is no match for above

¹ Not printed.

² See telegram 798 from Panama, December 4, 1949, *infra*.

combination in the long run. In any event risk of serious clash is believed greatest now and should diminish steadily, so that by time consultations other American Republics completed, danger another police coup should be definitely lessened.

The greatest danger to American interests believed to be emergence Harmodio Arias as collaborating factor in Government with prospect of exercising important influence. Hence risk of having Panamanian Government work secretly with our enemies to endeavor gain advantages by devious means believed greatly increased, but this should be considered calculated risk, with appeal to self-interest still believed to be our best protection. Methods with Harmodio Arias in picture will of course have to be different from those which would have been employed had he continued to work at cross purposes with his brother.

DAVIS

S19.00/12-449 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

PANAMA CITY, December 4, 1949.

798. For Murray Wise. Re our telephone conversation¹ following statement released to representative *La Estrella de Panama* and *Star and Herald* at 8 p. m. Saturday, December 3 :

"*Question:* the AP story published in the *Star and Herald* this morning has resulted in speculation that the main condition for US recognition of the new Panamanian Government is that the police heads be removed. Does this interpretation reflect the official view of the Embassy and the Department of State? *Reply:* No, it definitely does not do so. The US Government has not imposed any conditions relating to the police of Panama nor any other internal matter as having a bearing on recognition. The decision will be based on the general policy as summarized by the Secretary of State, the Honorable Dean Acheson, in his speech on September 19,² when he indicated that in cases such as this we would wait to see whether the new government 'really controls its territory and intends to live up to its international commitments'. He added that we could consult with other governments as we have often done in the past.

He stated further that 'non-intervention in the internal or external affairs of another American representative [*Republic*]' is one of the basic principles of the US policy. It means literally just what it says. No conditions whatsoever are imposed to attempt to influence the solving of problems of purely domestic character. Non-recognition is not

¹In a long distance telephone conversation of December 2, 1949, Ambassador Davis expressed concern at a rumor, attributed by him to Harmodio Arias, that the United States was making removal of the police chiefs a condition of recognition. The Department gave the Ambassador permission to deny this rumor. (S19.00/12-249)

²See Department of State *Bulletin*, September 26, 1949, p. 462.

directed against any person nor is it employed as an instrument of indirect intervention. It merely reflects disapproval of the use of force to replace legal democratic procedures. I refer to the several statements to the press of Assistant Secretary of State Edward G. Miller on the subject".

Above was featured prominently on front page in both Spanish and English editions this morning with summary of earlier policy statements.

DAVIS

819.00/12-549 : Telegram

The Ambassador in Panama (Davis) to the Secretary of State

CONFIDENTIAL
PRIORITY

PANAMA CITY, December 5, 1949—3 p. m.

799. Dr. Harmodio Arias reaction to press statement (mytel 798, December 4) was immediate. He called Calhoun, *New York Times* correspondent, yesterday saying he had something of importance to discuss. Calhoun went to Arias residence where Harmodio told him he was "alarmed and worried" for fear Panamanian people would take statement American Ambassador as supporting police. He then made extraordinary statement considering he was person chiefly responsible agitation for concessions 1936 treaty relating to intervention: he said US should do something to help people of Panama adding that policy non-intervention in case of Panama was "all rot". He stated if US wishes help Panama, only way would be to bring pressure out police heads.

Above would seem convincing confirmation Embassy suspicion (paragraph 2, Embassy's telegram 795, December 3). Text interesting memorandum on above subject is being forwarded under cover transmitting despatch 592 today.¹

DAVIS

¹ Not printed.

819.00/12-449

Memorandum by the Assistant Chief of the Division of Special Inter-American Affairs (Jamison) to the Acting Officer in Charge of the Division of Central America and Panama Affairs (West)

[WASHINGTON,] December 6, 1949.

It seems to me that the inclusion in Ambassador Davis' otherwise excellent statement of Saturday, December 3, 1949,* of the remark

*Telegram 798, December 4, 1949, from Panama City. [Footnote in the source text.]

that US non-recognition “. . . merely reflects disapproval of the use of force to replace legal democratic procedures”, which was apparently picked up by the AP and quoted in the New York *Herald Tribune*, was at variance with a central purpose of our Latin American recognition policy as stated by the Secretary on September 19 and as contained in Bogotá Resolution XXXV.¹ This purpose, as I understand it, is to separate the fact of recognition or non-recognition from approval or disapproval of domestic aspects of a situation.

The basic difficulty, I believe, is to be found in the tendency to associate our disapprobation of events which go on within a country, which we have a right to express, with the question of continuance—or discontinuance—of diplomatic relations. Each of these two things we have a sovereign right to do, but when they are tied together, as they were in the Ambassador's statement, the essential separation which is necessary to maintain them individually is lost, and in the public mind, we once again get back to the place where non-recognition is regarded as disapproval of a regime, and even more unfortunately, to the place where recognition, when it comes, is interpreted as an expression of our approval of that regime and the events which brought it into power.

EDWARD A. JAMISON

¹ For text, see *Foreign Relations*, 1948, vol. ix, p. 98.

819.01/12-749 : Telegram

The Secretary of State to the Embassy in Panama

SECRET

[WASHINGTON,] December 7, 1949—8 p. m.

480. Gen trend replies most LA countries cirtel 3 a. m. Dec 3¹ in agreement US views re primary tests recog Arias regime and no evidence outside interference. Appears here that regime is accepted generally by people, that regime has control Govt machinery and national territory and that statement FonMin (urtel 804 Dec 6²) is indication intention of regime respect internat'l obligations. Dept notes Arias himself has given no statement adequate assurances latter.

However, if there are no unfavorable devel next few days, does Emb perceive obj Dept instrg Chiefs Mission OARs to inform resp Govts not later than morning Dec 12 that US plans estab rel Arias regime Dec 14.

¹ See footnote 1 to telegram 473 to Panama, December 2, 1949, p. 734.

² In this telegram the Ambassador reported in part that Carlos N. Brin, Foreign Minister, had said in a press interview that Panama would observe all her treaties and other international commitments (819.00/12-649).

Statement mentioned para 1 urtel 790 Dec 2 being prepared for clearance with Emb. Dept awaiting proposed statement from Emb re para 5 (urtel 800 Dec 6³). Dept questions whether there can be obtained from Pan re para 2, 3 and 4⁴ more than Brin declaration (urtel 804). Emb requested reply soonest.

ACHESON

³ Telegram 800 not printed. "Paragraph 5" refers to paragraph 5 of Embassy telegram 790. Ambassador Davis sent a draft of the proposed statement in telegram 811 from Panama, December 9, 1949, not printed. (819.01/12-949) Departmental telegram 485, December 10, 1949, informed the Embassy that the plan to have it issue a statement exactly coincident with recognition of the Arias government had been abandoned (819.01/12-949).

⁴ These numbers refer to the numbered paragraphs of Embassy telegram 790.

819.01/12-849

Memorandum by the Assistant Secretary of State for Inter-American Affairs (Miller) to the Secretary of State

[WASHINGTON,] December 8, 1949.

In accordance with the general recognition policy stated in your speech of September 19, 1949¹ we have been in consultation this week with the other American Republics. In general the situation seems to be that (1) all agree that there was no outside intervention in the recent political upheavals in Panama; (2) the government has a broad popular basis of public support (in fact it seems generally agreed that Arias was fraudulently deprived of victory in the election last year) and there seem to be no questions of civil liberties involved; and (3) the present government apparently intends to live up to its international commitments and the Foreign Minister has made a public statement to that effect.

The replies to our consultations to date seem to indicate general trend towards willingness to continue diplomatic relations with the new government, although there is some reluctance on the part of some of the more "democratic" governments. Such reluctance in general seems to be based on a misunderstanding of our recognition policy which we are trying to clear up in an intermediate circular telegram today.

Although Arias was at one time strongly antagonistic, all indications are that he has completely changed his position.

Under all the circumstances, our present intention is to instruct our missions to inform the other American Republics on Monday, December 12 of our intention to establish relations with the Arias regime on

¹ See editorial note p. 462.

Wednesday, December 14. This will involve a total lapse of 31½ weeks since the overthrow of the Chanis regime and of two weeks since Arias came into power. Since Cuba and Venezuela have already recognized the regime and since others will probably follow suit next week, it is probable that we will be about in the middle of the procession on recognition.

Since the President has in the past expressed interest in questions relating to recognition, do you think it desirable that he be informed of the foregoing? ²

² In a letter to President Truman of December 9, 1949, not printed. Under Secretary of State James E. Webb reviewed American policy with regard to recognition of the Arias régime and stated that unless Mr. Truman indicated otherwise by 10 p. m. of December 10, recognition would follow according to the schedule outlined above (819.01/12-949).

819.01/12-949

Memorandum of Telephone Conversation, by the Acting Officer in Charge of the Division of Central America and Panama Affairs (Wise)

[WASHINGTON,] December 9, 1949.

Mr. Wise called Ambassador Davis this morning—on the Quarry Heights line, for security reasons—to discuss the desirability of Panama's taking the initiative in securing United States recognition by addressing a note requesting such recognition and giving certain assurances desired by the United States regarding acceptance of official acts and commitments of previous governments as legal and binding and treatment of foreign investments in Panama. Mr. Wise pointed out that there was ample precedent for such a note in other recent cases of recognition in Latin America and expressed the Department's concern that Arias himself had not yet given the desired assurances. He also stressed the desirability of having such assurances in writing. Mr. Wise said, however, that Mr. Miller wished to maintain the recognition schedule already agreed to and Mr. Davis agreed that no step should be taken now which might disrupt that schedule.

Mr. Wise then inquired whether the Embassy's rigid observance of the non-recognition policy might have closed the door to such a note from Panama. Ambassador Davis said that Foreign Minister Brin had attempted to reach him by telephone but he had discouraged this approach. Mr. Davis felt that failure to deliver such a note probably could be explained as respect for our seeming wishes.

As the idea of arranging for Panamanian initiative in the matter of recognition was explained to the Ambassador, his enthusiasm for

this type of approach increased. Mr. Davis said that he regarded the informal assurances already delivered orally by President Arias in his address before the National Assembly on November 30 and by Dr. Brin in his statement to the press on December 6 as fairly complete and that the substantial American private interests in Panama are fairly well convinced of the good intentions of the new administration. The Ambassador concluded that, in his opinion, a Panamanian note of the type suggested was not indispensable or essential but certainly desirable and well to have on record. He said too that he believed that the Panamanians would appreciate any hints as to how U.S. recognition might be speeded up and that his very action in offering the suggestion would create a most favorable impression.

Mr. Wise then stated that our desire for the delivery of such a note might be put across to the Panamanians through any of the following means:

- 1) An open-line conversation between Mr. Wise and the Ambassador on the assumption that the line would be tapped;
- 2) Mr. Wise to discuss the matter with Mr. Chevalier in Washington;
- 3) Mr. Davis to drop the suggestion in Panama.

Mr. Davis preferred the third approach as the most effective and expeditious. In view of his personal friendship with the new Foreign Minister, Mr. Davis felt he could informally put the suggestion across quite easily and without risk. He thought such a statement could be obtained by Saturday.¹ The Ambassador then was told to proceed as instructed unless the Department called him back within an hour.²

At one point in the conversation, the Ambassador stated that the Department's press releases on the Panama situation had been most helpful to him and had had the desired effect in Panama.

Comment: Shortly after this call was completed, the Department was informed by an official of Standard Oil that one of the new Vice-Presidents had informed the oil companies operating in Panama that they were expected to make a million dollars available to the Government or face monopoly legislation on distribution of petroleum products. The Ambassador apparently was not aware of this development at the time of the call. This development underscores the desirability of possessing the type of written assurances under discussion.³

¹ December 10, 1949.

² Ambassador Davis reported in telegram 812 from Panama, December 9, 1949, not printed, that Dr. Brin had given him oral assurances (819.01/12-949); these were followed by Dr. Brin's formal note, transmitted in telegram 815 from Panama, December 10, 1949 (819.01/12-1049). The substance of the Panamanian note is contained in Department telegram 488, December 12, to Panama, *infra*.

³ In telegram 822 from Panama, December 12, 1949, Ambassador Davis said in part that Dr. Brin had assured him the approach to the oil company was unauthorized by, unknown to, and disapproved by President Arias (819.6363/12-1249).

819.01/12-1249 : Telegram

The Secretary of State to the Embassy in Panama

SECRET

WASHINGTON, December 12, 1949—7 p. m.

488. You are instructed to deliver following note to FonMin Dec 14, 10 a. m.:

"Excellency: I have the honor to acknowledge receipt of your Excellency's note of Dec 10, 1949¹ confirming that the Government of Panama will maintain and respect all treaties and other international obligations in force, and that it accepts as valid all international acts performed by previous Panamanian administrations.

Your Excellency states also that the Government has the support of the great majority of the Panamanian people, that it controls all the national territory, which is entirely peaceful, and that it is fully capable of maintaining these conditions both for the sake of the welfare of the country and to make possible taking an appropriate part in the common task of strengthening continental solidarity.

I was pleased to inform my government immediately of the content of your Excellency's communication. I am now authorized to make formal acknowledgement thereof, and to express the hope of my Government that the traditional friendship and mutual respect which have characterized relations between our countries will continue.

Accept, Excellency, the assurances of my highest consideration."²

ACHESON

¹ See footnote 2 to memorandum of conversation, December 9, 1949, *supra*.

² In telegram 828 from Panama, December 14, 1949, Ambassador Davis reported that he had delivered this note as instructed (819.01/12-1449). For the Secretary's statement of December 14 on recognition of the Arias régime, see Department of State *Bulletin*, December 26, 1949, p. 990.

In a circular telegram of December 10, 1949, to diplomatic officers in all the American Republics except Panama, the Department instructed these officers to advise the respective Foreign Ministers on the morning of December 12 that the United States planned to recognize Panama two days later (819.01/12-1049).

819.01/12-2949

The Ambassador in Panama (Davis) to the Assistant Secretary for Inter-American Affairs (Miller)

[Extract]

RESTRICTED

PANAMA, December 29, 1949.

DEAR ED:

Here in Panama the reaction to our recognition of the present Government has been very good. Many Panamanians and Americans have expressed the opinion that the Department handled the whole thing well and timed its recognition just right. The principal pre-occupation of the country people was the fear that we might not "let

them have" the man of their choice, so the reaction of the people favorable to the Government was one of frank relief and outright friendliness. The American community was virtually unanimous in favoring early recognition, and even Panamanians bitterly opposed to Arnulfo Arias recognized our course as inevitable.

Sincerely yours,

MONNETT B. DAVIS

811F.06/1-1750

*The Under Secretary of State (Webb) to the Secretary of Defense
(Johnson)*

CONFIDENTIAL

WASHINGTON, January 17, 1950.

MY DEAR MR. SECRETARY: Reference is made to your letter under date of April 14, 1949, and to continuing discussions between representatives of this Department and of the Department of Defense, regarding the obligation of the United States to afford equality of employment opportunity and treatment to Panamanian citizens in the Canal Zone. In the communication and discussions under reference, the opinion of the Department of State has been requested with respect to the extent of the United States commitment in this matter.

There is enclosed a memorandum¹ setting forth the Department's views on this problem, which is of such fundamental importance in the relations between the United States and Panama. A brief summary of these views follows.

The Department considers that the legal validity of the commitment regarding equality of employment opportunity and treatment is not affected by the fact that it is embodied in an ancillary exchange of notes rather than in the body of the 1936 Treaty of Friendship and Cooperation with Panama. From the point of view of United States constitutional law there might be important differences. In international law, however, treaties and executive agreements both constitute equally binding obligations on the Nation. The binding effect of international law takes place as soon as the state has properly consented to the obligation and does not depend upon the form of the particular undertaking.

The note of the United States Government recognizes the existence, and pledges the continuance, of a public policy based on "the principle of equality of opportunity and treatment set down" in various Executive and other Orders, including the Order of the Secretary of War

¹ Not printed, but see footnote 2, below.

of December 23, 1908, and Executive Orders of February 2, 1914 and February 20, 1920. The concrete provisions of these and other Orders exhibit a policy to place Panamanians in a position of equality with American citizens in matters of eligibility for employment and of treatment during employment. The concurrences of the President, the Attorney-General and the Congress with this policy are discussed in the enclosed memorandum. There are also discussed in detail the discretion retained by the United States in the implementation of this policy and the reservations which qualify the commitment.²

As was agreed at the September 12 meeting of representatives of the State and Defense Departments, it is not possible in the accompanying general statement of position to cover the extent of the United States commitment in every problem which may arise in connection with the study of Canal Zone labor problems now being conducted by the Personnel Policy Board of the Department of Defense. The Department, however, is in full accord with the purposes of the current study and welcomes the opportunity for close cooperation in this important matter with representatives of the Defense Department. When questions occur with respect to the application of the commitment to specific matters, such as leave, retirement and other labor policies, the Department will endeavor to provide interpretations on an *ad hoc* basis.

Sincerely yours,

JAMES E. WEBB

² On the question of whether commitments in the cited note applied only to the mentioned employees of the Panama Canal and the Panama Railroad or to all Panamanian employees, the memorandum said in part: "It is one thing to say that the commitment does not specifically refer to the employees of the armed forces. It is another to say that the military service should not be expected to observe the commitment. The scope of the word 'government' is by itself too embracing to permit a distinction between the various branches or agencies of this Government and, according to the record of the negotiations, the United States negotiators did not indicate any intention to limit the commitment in this respect." (811F.06/1-1750)

PARAGUAY

POLITICAL RELATIONS OF THE UNITED STATES AND PARAGUAY¹

834.00/1-3149

Memorandum by the Director of the Office of American Republic Affairs (Daniels) to the Secretary of State

RESTRICTED

[WASHINGTON,] January 31, 1949.

As of eleven o'clock this morning the Paraguayan situation was as follows:

President González's resignation was forced by civilian members of his own Cabinet.² The Minister of the Interior,³ following constitutional procedures, convoked the National Assembly composed of members of the Cabinet, the Council of State and the Congress which elected Defense Minister General Raimundo Rolón Provisional President. The letter of convocation of the National Assembly stated that elections will be called within two months. The Cabinet is still unannounced. Ex-President Gonzalez has asylum in the Brazilian Embassy.

Background

González was nominated for the Presidency by the Colorado Party in February 1948 in a convention which was stolen from the unquestioned majority in the most rank manner. There was no opposition candidate in the elections. Part of his supporters forced President Morínigo out in June 1948 and González assumed the Presidency as scheduled on August 15, 1948.⁴ One group of González's original supporters failed in a revolutionary attempt in October 1948. The present successful group is aided by the majority of the Colorado Party from whom the nominating convention was stolen in February 1948. The military apparently is playing a passive but acquiescent role.

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 700 ff.

² The resignation of President Juan Natalicio González was submitted on January 30, 1949.

³ Liberato Rodríguez.

⁴ For pertinent documentation, see the section on Paraguay in the compilation on continuance by the United States of diplomatic relations with new governments on the basis of the Bogotá Resolution and consultation with other American Republics in *Foreign Relations*, 1948, vol. ix, pp. 108 ff.

There is no evidence of any foreign influence although the British had a report that the Argentines were backing a revolution to take place on this date. Basically it is a personal struggle for power.⁵

⁵ Department telegram 5, January 31, to Asunción, not printed, informed the Embassy that pending further instructions it should have no formal relations with the new government (834.00/1-3149).

834.00/2-149 : Telegram

The Department of State to the Embassy in Paraguay

CONFIDENTIAL

WASHINGTON, February 7, 1949—4 p. m.

7. Dept suggests fol factors be considered in your recommendations re continuance normal relations urtel 39 Feb 1 since there is some question whether suspension relations wld effectively encourage democratic processes or increase polit stability.¹

1. According urtel 39, new elections wld be limited to Colo Party. These may prove as unrepresentative as González election, thus making them doubtful reason for later resumption relations.

2. Urtel 39 reports elimination González apparently popular and new Govt more broadly supported. Might not suspension relations fol announced policy follow Constitutional forms be regarded indirect support of González?

3. Constitutional procedure in appt temp successor González similar that followed after Morínigo deposed. Prompt notification was given Frutos² Govt of continuation relations. Are not reasons equally applicable and even more justifiable this instance where various factions apparently encouraged by actions thus far taken and inclusion various elements in Cabinet?

4. Dept impressed by report Braz as well as Arg has contd relations new Parag Govt.

5. Parag Emb informally urging early action.

Your further comments entire problem urgently requested, particularly in light Para 3 Bogotá Res 35.³

ACHESON

¹ Telegram 39 not printed. In it, the Chargé in Paraguay (Randolph) recommended to the Department that the United States should defer continuing normal relations until Paraguay complied with the promise of the provisional government to hold elections (834.00/2-149).

² Juan Manuel Frutos, President of the Supreme Court, had become Provisional President of Paraguay in June 1948 upon the ouster of President Morínigo.

³ The text of the resolution is printed in *Foreign Relations*, 1948, vol. ix, p. 98; paragraph 3 recorded the declaration of the Bogotá Conference "that the establishment or maintenance of diplomatic relations with a government does not imply any judgment upon the domestic policy of that government".

834.00/2-849 : Telegram

The Ambassador in Paraguay (Warren) to the Secretary of State

CONFIDENTIAL

ASUNCIÓN, February 8, 1949—5 p. m.

US URGENT

55. Deptel 7, February 7. Following submitted:

Embassy in survey situation and recommendations to Department guided by:

(a) Consideration seriatim subversion Governments Peru, Venezuela, Salvador, Paraguay through military coup elected presidencies.¹

(b) Present Paraguayan Government result military coup.

(c) Likelihood military dictatorship will emerge from provisional governments.

(d) New government has promised elections but indications already are Rolón considering delaying them indefinitely.

(e) González accession at least paid lip service to electoral process but Embassy believes Rolón may avoid such tribute.

(f) Brazilian Ambassador gave confidential personal opinion to me Brazil and Argentina resumed relations Paraguay because their special geographic and other relations with her.

(g) Embassy's conviction Argentine Ambassador wanted immediate recognition order recoup ground lost by his government his opposition González and Minister Foreign Affairs O'Leary. Arriola now making gains his country and doubtless would be satisfied with a pro-Argentine dictatorship. Main reason Brazil resumed relations so quickly was that both Rolón and Canata are notoriously pro-Brazilian.

(h) Belief Brazilian Ambassador and Brazilian Military Attaché that Rolón Government due become military dictatorship.

(i) Recognition by USA of present regime will enable it convert itself into military dictatorship thus set Paraguay back 100 years in democratic process.

(j) Paraguay's travail is pathetic but its people have suffered and can still endure much. She is learning first steps democratic process. If she now reverts dictatorship her recent suffering will be for naught. Later, if she to be democratic, she would have start all over again.

(k) Belief USA delay for two months until Rolón hold elections would not hurt Paraguay.

Now referring Department's five factors seriatim comments follow:

1. See *d* and *e* above.

2. González is out of picture. Rolón government not as popular today as was January 31. Our support of elections would make military dictatorship more difficult to achieve.

3. Fight already on eliminate Molas²-Rodríguez group from Cabinet. If that be successful Embassy doubts Demo-Colorados

¹ For documentation relating to continuation of relations with the new governments in these countries, see *Foreign Relations*, 1948, vol. ix, pp. 98 ff.

² Felipe Molas López, Minister of Education.

would be match for military. Granted observance constitutional procedure in cases Frutos, Rolón similar, nevertheless threat military dictatorship did not exist case Frutos and Governments Peru, Venezuela Salvador had not fallen.

4. See *f*, *g* above.

5. Until USA resumes relations Rolón Government has poor chance succeed. Paraguayans generally recognize USA help essential for recuperation this country.

Comments: Embassy awaits Department's decision and will comply fully immediately.

WARREN

834.00/2-1049

Memorandum by Mr. R. Kenneth Oakley of the Division of River Plate Affairs

[Extract]

CONFIDENTIAL

[WASHINGTON,] February 10, 1949.

Dissension within the Colorado Party—the only Party allowed to function—reached a minor crisis January 7/14 and erupted in a successful *coup d'état* on January 30. Education Minister Molas López together with Interior Minister Rodríguez finally won in the maneuvering for the support of the Party majority (“Democratic” Colorados under Dr. Federico Chávez) and the most potent Army units. President González was forced to resign.

However, as excitement died and events became more clear in retrospect, it was apparent that the Army rather than the civilians had executed the coup and was in control of the situation.

A new government has been installed in accordance with constitutional procedures. It talks of elections within two months, also as provided by the Constitution, but there is some doubt that they will actually be held. The government is not completely military but key posts are in Army control: the Presidency; Police; the powerful Secretariat of the Presidency; Ministry of Defense; as well as the Ministry of Public Health. Our Embassy's opinion that the Army controls the situation is confirmed confidentially by the Paraguayan Minister-Counselor¹ here who adds that the Government may become entirely military. This diplomat, while he deplores such military strength, believes that the US should continue normal diplomatic relations.

Evaluation: The Army probably would say that it has acted to prevent progressive degeneration into chaos. And it might be right al-

¹ Cesar R. Acosta.

though essentially the struggle is simply for personal power without involvement of basic issues.

834.01/2-2149

Memorandum by the Director of the Office of American Republic Affairs (Daniels) to the Secretary of State

CONFIDENTIAL

[WASHINGTON,] February 21, 1949.

Subject: United States Diplomatic Relations with Latin American *De Facto* Governments Arising from Military Coups.¹

The present Paraguayan case serves as a fairly typical example of the question of using "non-recognition" as an instrument of sanction, censure, or as an expressing of moral indignation in instances where a *de facto* military government comes into power by *coup d'etat*.

Considerations which encourage a *delay* in resumption of relations with Paraguay are:

(1) In the background of three recent military coups in Peru, Venezuela and El Salvador, it is possible that prompt resumption of relations *might* be an encouragement to revolutions elsewhere and contribute to instability and setbacks in representative government;

(2) Even though we may not be convinced that resuming relations with the Paraguayan revolutionary government would be a notable factor in encouraging other revolutions, prompt resumption in relations with Paraguay *might* result in unfavorable publicity accusing us of "giving the green light" to military coups and accusing us of not adequately censuring the travesty of democratic ideals—particularly if there should happen soon after to be further revolutions; and

(3) Delay in resuming relations might affect domestic prestige of the *de facto* government sufficiently to encourage it to adopt more representative procedures and democratic practices in order to win United States "approval" by recognition and add to its prestige and political strength.

Considerations which encourage *prompt resumption* of relations with Paraguay are:

(1) Suspension obstructs conduct of business, protection of direct economic and strategic interests and United States citizens;

(2) Suspension divides Hemisphere opinion, damages unity, and inconveniences multilateral collaboration;

¹In a memorandum, not printed, of February 17, Mr. Acheson stated that he had taken up with President Truman the question of recognition of the Rolón Government in Paraguay and that the President indicated he was not disposed to authorize recognition at the present time but would reconsider when and if the Department of State felt action was required as a pressing matter (834.01/2-1749, 9-1249).

(3) Suspension has usually led to eventual resumption of relations accompanied by embarrassment, loss of United States prestige and accumulated resentment in eventual relations;

(4) Suspension is a feeble sanction, is not clearly a deterrent to other military coups, and has not been shown in the past to have made any lasting contribution to establishment of representative government (the government which was overthrown on January 29 was not put into power by procedures that could reasonably be defined as "representative" or "democratic" and it seems unlikely that any government will come into power in Paraguay by improved "representative" procedures in the predictable future);

(5) In so far as suspension is effective as a deterrent to revolutions elsewhere, it is largely because it is a sanction. As a *unilateral* sanction it tends toward being interventionist. In so far as it is interventionist, it tends toward the following disadvantages:

(a) it undermines confidence in the Good Neighbor policy, which is based on mutual respect and voluntary cooperation for common interest,

(b) it implies United States judgment of domestic policies of another state,

(c) it implies United States responsibility for ensuing internal political difficulties of the other state,

(d) it implies discrimination in favor of other equally dubious or more dubious governments, including disreputable governments in other parts of the world,

(e) it arouses public criticism in some other countries for United States "picking on" another country,

(f) it arouses resentment of even the "repressed" peoples whose repression we censure, when their nationalism overcomes their appreciation of United States moral support, and

(g) it detracts from the worldwide reputation of the regional system which supposedly rests on voluntary cooperation rather than coercion.

(6) The Paraguayan *de facto* government happens to be led by army officers who are notably friendly to Brazil—an orientation which seems generally preferable to an Argentine orientation since the United States has closer collaboration from Brazil than it does from Argentina.

In order for suspension of relations with Paraguay to be a notable factor in discouraging or postponing further military coups and in bolstering shaky governments in other countries, suspension of relations would probably have to be extended over such a long period that we would begin to incur some or all of the preceding disadvantages.

With respect to the accusations that we are encouraging military coups and deserting democratic ideals, our statements deploring the use of force and urging democratic procedures have served as useful and widely-accepted answers. The reaction to our circular telegram

of December 17 [16]² on this subject indicated clearly that none of the responsible officials of other American States thought seriously that we should suspend relations indefinitely with Venezuela—which was the problem at that time.

The situation is confused somewhat in the public mind because the Department, for a while, encouraged popular support for non-recognition as a sanction against certain dictatorial governments (having shifted to this criterion of an internal nature in the instance of Argentina—where the original criterion was alleged aid to the enemy during wartime and the non-recognition was decided upon after multilateral consultation).³ This method of censure and sanction became so popular that, in May 1947, when Somoza flagrantly resumed power in Nicaragua, eighteen countries spontaneously suspended relations with his government.⁴ This parallel non-recognition by eighteen countries at least relieved the United States of the onus for unilateral action. Nevertheless, non-recognition, even on a multilateral basis, continued to have practically the same disadvantages, particularly those numbered from (1) to (4)—if not all those of number (5). It therefore seemed to us that the disadvantages so outweighed the advantages that it would be highly desirable to discourage the use of non-recognition among the American States except in the most extreme and unforeseeable instances. We felt that a declaration such as Resolution 35 of Bogotá would help to accomplish this—by declaring that continuity of relations is generally desirable and that establishment or maintenance of relations should not imply any judgment of domestic policy. It is, of course, very difficult to get away from this entrenched association of ideas by a declaration, but it should be possible to use the fact of multilateral approval of the declaration to our advantage by alluding to it when we have decided that we are going to resume relations on the basis of a clear weighing of our national interests.

There is, of course, nothing in Resolution 35—other than the statement that continuity of diplomatic relations is desirable—to deter us from indefinitely suspending relations with any country, if we were to decide that the “justified” advantages to our national interest are greater than the disadvantages.

PAUL C. DANIELS

² *Foreign Relations*, 1948, vol. ix, p. 147.

³ See *ibid.*, 1944, vol. vii, p. 259.

⁴ For pertinent documentation, see *ibid.*, 1947, vol. viii, pp. 841 ff.

834.00/2-2849

*Memorandum by Mr. R. Kenneth Oakley of the Division of River
Plate Affairs*¹

RESTRICTED

[WASHINGTON,] February 28, 1949.

The situation in Paraguay as of this morning at 10 a.m.

On the afternoon of February 26, another bloodless coup was staged and Dr. Felipe Molas López, Education Minister, became Acting President without reference, thus far at least, to the Constitutional processes followed by his immediate predecessor and by the successor last year of President Morínigo. The new government promises to go through with the elections scheduled for April 17. Dr. Molas López was expected to have been the candidate for the Colorado Party, the only Party which would have been allowed to have a candidate.

Molas and his confederates in this coup are the same ones responsible for the ousting of President Morínigo in June 1948. His most powerful confederates in the present coup were responsible for the unsuccessful revolt in October 1948, after which they went into exile, returning secretly to aid in the latest maneuver. (It now appears Molas too may have been involved in the October revolt.) Molas was the principal figure in the January 30 overthrow of President González.

The one party allowed to function in Paraguay is the Colorado Party which is split into various factors [*sic*]. The biggest question mark at present is the position of the majority known as the "Democratic" or Chavista Colorados. One plausible explanation is that the "Democratic" Colorados were planning, together with President Rolón (just overthrown), to double-cross Molas; and that Molas and his confederates beat them to the double-cross. That would mean that the Colorado majority is out. Molas would be governing with just half the *Guión Rojo*, the minority of the Colorado Party, although the majority had, publicly at least, sponsored him for the Presidency.

It is still nothing more than a personal struggle for power. Military men still hold the key to the situation. There has been no indication of foreign intervention.

¹ The memorandum was drafted by Mr. Oakley and initialed by Mr. Daniels; it was addressed from the Office of American Republic Affairs to the Offices of the Secretary of State and the Assistant Secretary of State for U.N. Affairs (Rusk).

S34.00/3-349 : Telegram

The Ambassador in Paraguay (Warren) to the Secretary of State

RESTRICTED

ASUNCIÓN, March 3, 1949—10 a. m.

87. After office yesterday p. m., Acting Undersecretary Foreign Affairs Moreno González, delivered Embassy personally note¹ dated March 2 from Federico Chávez, Minister Foreign Affairs, requesting be transmitted USA government desire Provisional Government headed by Provisional President Felipe Molas López continue maintaining very cordial relations that have always united USA and Paraguay. Note lists cabinet already reported Department and says in translation "As a culmination of the recent political events which are of general knowledge, and General Rolón resigning, by decision of the Colorado people and the nations armed forces, Felipe Molas López assumed the high position of Provisional President of the Republic taking oath of office before the Supreme Court of Justice February 27 ultimo." Note also declared Molas government has unanimous support united Colorado party and armed forces and controls center country, assures security and guarantees to all Paraguayan inhabitants, confirms free elections April 17 next, promises continue respect loyally, faithfully, fulfillment Paraguayan international commitments and obligations, states Paraguay will lend its traditional respect for principles international law, especially as they may be able strengthen continental and world solidarity based on democratic institutions.

Comments: Embassy expects submit March 7 recommendation subject recognition *de facto* López government.

WARREN

¹ Not printed.

S34.00/3-749 : Telegram

The Ambassador in Paraguay (Warren) to the Secretary of State

CONFIDENTIAL

ASUNCIÓN, March 7, 1949—6 a. m.

91. Please see last sentence Embtel 87 March 3. Molas Govt has lasted 8 days. Cabinet first time many years entirely civilian leaders. At most, three Guion Cabinet members. Of these Mallorquin and Saldivar inclining toward Democolos. Youthful and certain other Democolos already pressuring Guion Minister Interior Rodríguez who many believe will have to go in course time. Democolo leaders pleased with Molas thus far. Party's efforts have begun effect pacification party and country. Some indications govt already considering

form partial amnesty permit return certain politically less important liberals. Although there have been certain minor disturbances interior country govt seems firmly control and has taken certain measures like curfew, road blocks insure against any counter move by ousted military Gonzalista Moriniguista elements.

This mission inclined recommend USA recognize Molas Govt for these reasons:

(1) Molas nearest civilian Democratic govt Paraguay had many years. Has called elections April 17.

(2) Present cabinet composed best leaders Paraguay today.

(3) Failure recognize regime trying return Democratic processes will encourage anti-Democratic forces and weaken Democratic trend. May even swing Molas behind combined Gonzalista Moriniguist elements and cause return military dictatorship or create such conditions that Communists may be able take advantage situation.

(4) Govt has promised observe fulfill all international obligations commitments.

(5) Will become increasingly difficult operate our ground air agricultural education public health missions without recognition.

It is respectfully suggested Dept may desire consult other Republics this hemisphere regarding recognition Molas regime. Should events next few days change Embassy views set forth above Dept will be informed immediately.

WARREN

834.00/3-1749 : Telegram

The Ambassador in Paraguay (Warren) to the Secretary of State

CONFIDENTIAL

ASUNCIÓN, March 17, 1949—3 p. m.

103. Re Rio 198 March 16.¹

Following summary political situation today offered:

1. First time many years government hands civilians.
2. Most "democratic" government Paraguay has had many years now functioning.
3. Army appears be hands officers friendly, responsive to civilian leaders.
4. Importance capital police as military force capable conspiring against government, reduced minimum yesterday by confiscation nine truckloads rifles and machine guns.
5. Democolorados feel they completely control forces agencies necessary remain office.

¹Not printed; it stated that the Brazilian Foreign Ministry had informed the American Embassy in Rio de Janeiro that no action had been taken with respect to recognition of the present government in Paraguay, since the situation there was regarded as being not yet entirely clear (834.01/3-1649).

6. They have already commenced substitution interior Paraguayan Democolorado officials for Guiones, change to be complete within two weeks.

7. Three sources report confidentially President Molas now definitely aligned with Democolorados after offering to resign yesterday and tender being refused by Federico Chávez. President Junta Gobierno. Chávez promised Molas would serve presidency until 1953, if latter works with Democolorados. Chávez further declared Molas successor would be chosen 1953 by election all Paraguayan people. Molas agreed.

8. Guiones, Liberato Rodríguez, and Molas brothers, suffered great defeat removal Liberato from Ministry Interior and disarming police force.

9. Democolorados assert that for first time 40 years, Colorados now have complete control country.

Comment: Embassy opinion government now hands most democratic group Paraguay. Leaders this government will try promote growth democracy this country. Molas can continue as President as long as he desires cooperate Democolorados. Latter can force his resignation any time if they maintain their present strength. Great need now for government is USA and Brazilian recognition.

Sent Department 103, repeated Rio 13; Department repeat Army and USAF.

WARREN

834.01/3-2949: Telegram

The Ambassador in Paraguay (Warren) to the Secretary of State

CONFIDENTIAL

ASUNCIÓN, March 29, 1949—6 p. m.

US URGENT NIACT

116. In reaching final decision re resumption normal relations mentioned Deptel 24, March 28,¹ following survey may be helpful:

1. Democolo Government has lasted 31 days and appears be firmly control government and country.

2. Government promises observe fulfill all international commitments obligations.

3. Government entirely hands civilians with Paraguayan Army responsive to civilian leaders. These leaders all belong Democratic sector Colorado Party.

4. Government enjoys wide civilian support (we believe majority people Paraguay today).

¹ The text of this telegram read as follows:

"For ur info only, final decision re resumption normal relations not reached. Braz Govt suggested concurrent action but of course no necessity this procedure if it desires act immed." (834.01/3-2849)

5. Following accomplishments of government must be noted :

- (a) Broken recent Latin American trend set up military governments in time stress.
- (b) Brought Paraguayan military under civilian control.
- (c) Broke police as military force in Paraguay.
- (d) Overcame domination Colorado Party by Guiones, a minority group.
- (e) Began moralization government by prohibition graft and payment legitimate bills.
- (f) Divorced itself from venal González congress by seeking relations other governments basis *de facto* existence instead of constitutional fiction.
- (g) Freed all political prisoners (over 300) thus making first move toward amnesty for opposing political figures.
- (h) Commenced pacification interior country so effectively results already evident visitors from Asunción.
- (i) Created Cabinet to [of?] first-rate men.
- (j) Made evident [de?] termination follow democratic lead western world.
- (k) Managed make payments [apparent omission] despite depleted treasury.
- (l) Took as leaders men who during dark months since November 1947 remained constant their devotion democratic cause.
- (m) Continued endeavor unify Colorado Party basis keeping agreement with Molas López and permitting large Guion representation new congress.
- (n) Insisted its leaders continue support Molas as long as he recognizes Democolo leadership. His resignation or failure to go along with Democolos would not alter broad basis their strength.

6. Argentina, Peru, Spain, Costa Rica, Holy See have recognized.

7. Government has repeatedly told Embassy informally its greatest need for stability success now is resumption relations by USA.

Comment : Embassy has no doubt desire determination present government continue course that will promote democracy and follow USA lead. Its every move thus far has been based that idea. Government leaders deliberately turned down Rolón and chose civilian Molas endeavor eliminate military control Paraguayan politics, an action that broke trend toward military regimes. Our delay recognition plays into hands military and Caudillo groups who desire run this country as their personal fief. Recognition will support friends of democracy. Continued nonrecognition would be the greatest boost to undemocratic forces.

WARREN

834.01/4-849

Memorandum by the Secretary of State to the President

WASHINGTON, April 8, 1949.

Subject: Resumption of Normal Diplomatic Relations with Paraguay.

On January 30, 1949 President González of Paraguay was forced to resign by a political combination of superior strength which had the backing of the armed forces. A successor was chosen in accordance with constitutional processes similar to those followed in June 1948 at which time Provisional President Frutos was "recognized" by this Government without interruption of diplomatic relations. Presidential elections were called for April 17, 1949.¹

On February 26 the new Paraguayan Government was overthrown by a new combination between the Colorado party and the armed forces. The new Government announced that the elections scheduled for April 17 are still to be held.

Our Ambassador in Asunción reported in the attached telegram of March 30² that he considers the new Government to be the most democratic Paraguay has had in many years. Civilians apparently are in the ascendency. It has been "recognized" by Argentina, Peru, Costa Rica, Spain and the Vatican. Brazil is prepared to resume relations concurrently with the United States. Chile, Nicaragua, France and Great Britain are understood to be prepared to follow United States action.

I believe we should now resume diplomatic relations with Paraguay because (1) the lack of official relations presents daily problems in conducting business, in the functioning of our technical assistance missions, and in relations with Paraguayan representatives on inter-American organization affairs, (2) our lack of relations may have the negative effect of discouraging the firm establishment of what appears to be as good a government as can be expected in Paraguay at present, and (3) if our resumption of relations occurs after the April 17 elections our action might be interpreted as an endorsement of the quality of those elections.

¹ The elections were held as scheduled and resulted in the election of Felipe Molas López as President of Paraguay.

² Reference is to telegram 116, March 29, from Asunción, *supra*, which was received in the Department of State on March 30.

I would appreciate an indication from you as to whether you approve the resumption of relations with Paraguay at this time.³

DEAN ACHESON

³ The Department of State file copy bore the notation: "Approved 4/8/49 Harry S. Truman".

On April 13, Ambassador Warren presented to the Paraguayan Foreign Minister a note replying to the Paraguayan note of March 2, 1949. This action constituted resumption by the United States of normal diplomatic relations interrupted on January 30, 1949 by the resignation of President J. Natalicio González. The U.S. note expressed confidence that the friendship which had always characterized relations between the two countries would continue unimpaired. (Department of State *Bulletin*, April 24, 1949, p. 538)

834.01/9-1349

*The Chief of the Division of River Plate Affairs (Tewksbury) to the Ambassador in Paraguay (Warren)*¹

WASHINGTON, September 13, 1949.

DEAR FLETCH: The reports from Paraguay are encouraging, and it does not appear that there is any immediate danger of armed conflict in connection with the recent change in government.

Ambassador Boettner made an informal call this morning, at which time he went to some length to explain the necessity of the replacement of Molas López by Chávez. He said, in effect, that even in 1947 Chávez was the choice of the Colorado Party for the presidential nomination but that Natalicio González had stolen the convention. He said that in effect Molas López had been installed as President in the expectation that he would act as a sort of figure head under the direction of Chávez as head of the Colorado Party.

The Ambassador stressed the fact that the present upheaval was quite different from previous changes in government and that this was clearly demonstrated by the fact that there were only two cabinet changes and that the government was in fact continuing very much as it was under Molas López. He emphasized that Chávez had general support in Paraguay and that even the "sane" leaders of the Liberal Party recognized the truly democratic ideals of Chávez and felt that many would support him in the present instance. He also referred to the fact that Molas López is free to go and come and that no military strife occurred.

¹ The letter was addressed to Ambassador Warren at the Windsor Hotel in Montreal, Canada, where he was vacationing.

Ambassador Boettner was obviously making a strong plea for early recognition of the new government.

Prior to the visit from Ambassador Boettner, I discussed with Willard Barber² the question of recognition of the Chávez government. I indicated to him that I felt that you agreed with me that it would be desirable to go a little slowly in recognizing the Chávez government. I told him that, in all probability, both Argentina and Brazil would rush in to recognize the new government promptly. Willard inquired if it might not be embarrassing to be lagging behind these two countries, but I explained that both countries had vital interests which made early recognition desirable. I told him that it was my opinion that you agreed that a period of waiting of two or three weeks would be desirable. In other words, it is my feeling that, if the Chávez government indicates its intention to respect its international obligations and shows that it has a reasonable degree of popular support and stability, we might well recognize the government along about October 1.

Jack Ohmans³ is rather of the opinion that we should not wait for more than a week or ten days before recognizing the new government, since he feels that the present development is almost identical to that of Frutos, and our recognition of Frutos was almost immediate. While, in principle, I favor a continuation of normal diplomatic relations with as little break as possible, I am inclined to think that a period of two to three weeks of waiting will do no harm in this instance since a far greater period was involved in the recognition of Molas López whose assumption to office, in my mind, was also almost identical to that of Frutos. Since we waited such a long time in the case of Molas López, it hardly seems logical to rush in with an immediate recognition of Chávez. I shall appreciate it if you would send your comments on this question of recognition. Up to the present time we have not had any word from the Embassy indicating that the Chávez government has informed the Mission of the change in government or requested recognition. I presume that this will be coming through within the next few days.⁴

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Best regards.

Sincerely yours,

HOWARD H. TEWKSBURY

² Deputy Assistant Secretary of State for American Republic Affairs.

³ Mr. John L. Ohmans, of the Division of River Plate Affairs.

⁴ Telegram 315, September 13, from Asunción, not printed, transmitted to the Department the text of a note, dated September 12, from Foreign Minister Bernardo Ocampos informing the Chargé (Randolph) of the resignation of President Molas López and his replacement as Provisional President by Federico Chávez. The note concluded by expressing the desire of the Paraguayan Government to continue the ties of friendship that traditionally united the two countries and their respective governments. (834.00/9-1349)

834.01/9-1449

*Memorandum by the Chief of the Division of River Plate Affairs
(Tewksbury) to the Deputy Assistant Secretary of State for American Republic Affairs (Barber)*

CONFIDENTIAL

[WASHINGTON,] September 14, 1949.

This is in reference to my letter of September 13 to Ambassador Fletcher Warren requesting his opinions concerning the possible recognition of Paraguay (a copy of my letter to Ambassador Warren was sent to you for your information).

Ambassador Warren telephoned this morning from Montreal and stated that he was in full accord with my suggestion that there should be a delay of two or three weeks before extending recognition to Paraguay and that final action should be based on the developments in Paraguay during the next couple of weeks.

Ambassador Warren is of the opinion that a strong plea will be made by the Paraguayans on the basis that the present change in government has strictly followed constitutional procedures. He does not, however, entirely agree with the opinion of Ambassador Boettner that there will be unanimous support of Don Federico Chávez. He feels that the retention of Rigoberto Caballero as Minister of Interior and the fact that General Francisco Caballero and Lieutenant Colonel Abdon Caballero Alvarez (a half brother) hold important military positions may be a threat to the stability of the Chávez administration. Ambassador Warren did not go into details but indicated that the loyalty of the Caballero brothers is open to question. Ambassador Boettner, however, strongly emphasized the debt of loyalty which the Caballero brothers owed to Chávez for assistance he had given them over a long period of years.

Ambassador Warren's comments, combined with the indications contained in telegram No. 313 from Asunción¹ (received this morning), strengthen my opinion that we would do well to go somewhat slowly in the recognition of the Chávez administration.²

HOWARD H. TEWKSBURY

¹ See footnote 1 to telegram 316, September 14, from Asunción, *infra*.

² Marginal note on the file copy read: "So far I agree W[illard] B[arber]".

834.00/9-1449 : Telegram

The Chargé in Paraguay (Randolph) to the Secretary of State

CONFIDENTIAL PRIORITY ASUNCIÓN, September 14, 1949—4 p. m.

316. Embtel 313, September 12 final paragraph.¹

Examination factors considered applicable determine our attitude vis-à-vis present Paraguayan Government. Embassy lists following points:

(1) Naming Chávez Provisional President done legally accordance article 58 Paraguayan constitution.

(2) Resignation Molas cannot be considered "forced" in same sense as resignations González, Rolón.

(3) Government has stated wishes continue friendly relations (see Embtel 315, September 13²).

(4) Chávez' election popular practically all circles.

(5) Cabinet continues all civilian, now composed only members predominant faction Colorados Party.

(6) Little doubt Chávez Government will be friendly USA.

(7) Chávez stated publicly press his government will respect treaties and international agreements.

(8) Appears government full control throughout country although no statement made this respect.

(9) Change effected peacefully and only after full discussion both civilian and military leaders (this perhaps most encouraging feature coup).

And in addition:

(1) Numerous reports Colorados split many factions.

(2) Conflicting reports real reason for coup.

(3) Stableness Chávez Government not yet predictable.

(4) Exact position intentions military not clear. Possibility this change preliminary to assumption control by military.

(5) Question whether any foreign influence involved.

Weighing foregoing pros and cons, Embassy believe interests our government best served by continuing normal relations Paraguay after reasonable elapsed time. While Colorados may not be able prevent eventual entrance military into Paraguayan political scene, at least military not now dominating. Therefore Embassy believes our recog-

¹ Telegram 313 not printed. The final paragraph commented that, despite popular acceptance of the accession of Federico Chávez to the presidency, doubts existed as to the ability of the splintered Democratic Colorados to resist a possible military take-over of the government, which raised the question of whether the recent coup had weakened rather than strengthened the Paraguayan political situation (834.00/9-1249).

² See footnote 4 to the letter dated September 13 from Mr. Tewksbury to Ambassador Warren, p. 760.

dition this civilian government would tend strengthen democratic processes and help Democolos counterbalance military influence.³

RANDOLPH

³ Telegram 105, September 22, to Asunción, not printed, indicated that the Department was inclined to agree with the conclusions presented in telegram 316 from Asunción but was reviewing the situation prior to taking action on the continuance of relations with Paraguay (834.00/9-1949).

711.34/9-2849 : Telegram

The Acting Secretary of State to the Embassy in Paraguay

CONFIDENTIAL

WASHINGTON, September 28, 1949—1 p. m.

PRIORITY

107. Continuing normal diplomatic relations believed best interests US. You are instructed deliver fol note FonMin Sept 29 unless you have impelling reasons to contrary:

"I have the honor to refer to your note of September 12 informing my government that Mr. Federico Chaves [*Chávez*] had been elected Provisional President of Paraguay in accordance with the pertinent provisions of the national constitution.

My government has instructed me to assure Your Excellency of its intention to continue normal relations with the government of Your Excellency and to reiterate its desire to extend and strengthen the bonds of friendship between our nations."

You may inform Brit Min to allow concurrent action if appropriate. Cable Dept action taken.¹

WEBB

¹ The text of the note, which was delivered on September 29, was released by the Department of State on the same date in a statement issued on the continuance of relations with Paraguay, which is printed in Department of State *Bulletin*, October 10, 1949, p. 558. The statement concluded by saying that the decision to continue relations was made in accordance with the policy on recognition discussed in Secretary Acheson's address before the Pan American Society on September 19, the text of which is contained *ibid.*, September 26, 1949, p. 462.

PERU

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND PERU¹

623.3531/2-2849

*Memorandum by Mr. Edgar L. McGinnis of the Division of North and West Coast Affairs*²

CONFIDENTIAL

[WASHINGTON,] February 28, 1949.

Last December the Embassy Lima informed the Department (Despatch 1061, Dec. 14³) that the much discussed Peru-Argentine wheat-meat-petroleum barter deal was again under active consideration. On January 20 (Embtel 29³) the Embassy indicated that the proposed commodity exchange had expanded to include sugar, cotton, coal, petroleum and metals and that the Government, spurred on by the poor Peruvian food outlook was "prepared to take drastic action." The Embassy pointed out that Peruvian exporters were opposed to dealing with Argentina because of the tendency toward a state trading monopoly in Peru but recognized that through some such arrangement Peru could obtain necessary food stuffs without the immediate outlay of dollars. These exporters suggested that if the U.S. offered wheat to Peru on a long term credit basis, the latter would most likely accept. The Embassy requested information as to the Department's attitude.

In Washington a representative of the Esso Standard Oil Company handed the Department an "*Aide-Mémoire*"³ dated January 14, 1949 referring to the proposed barter arrangement and pointing out that Peru did not have sufficient petroleum under its direct control to complete the deal. The Company also mentioned that Jersey affiliates, in an effort to cooperate, had offered to arrange delivery of about 500,000 barrels of oil products during 1948 ex Aruba, but that the offer was not accepted. The Company asked whether Peru could obtain her wheat requirements from the U.S. and whether the U.S. was planning to

¹ For previous documentation on economic relations, see *Foreign Relations*, 1948, vol. ix, pp. 719 ff.

² Addressed to Mr. Robert Woodward, Deputy Director of the Office of American Republic Affairs and Mr. Sheldon Mills, Chief of the Division of North and West Coast Affairs.

³ Not printed.

make the wheat available through "special credit or loan facilities." They added that should this be the case, there was little likelihood that the barter arrangement would go through.

In reply to Embassy Lima's inquiry, the Department (Instruction 32, Feb. 3 ⁴) informed the mission that it would be a matter of concern to this Government should the proposed exchanges materialize since they might lead to a state trading monopoly in Peru which would restrict private trade in the articles covered by the agreement. It was suggested that the Embassy might, in its discretion, informally discuss the matter with the Peruvian authorities drawing their attention to Article V of the Trade Agreement between Peru and the U.S.⁵ (on according fair treatment to private traders in the event a monopoly is established) and to Article XVII of GATT⁶ which is somewhat broader in scope than the corresponding TA Article. The mission was also informed that wheat and flour are in ample supply here for Peruvian needs and reference was made to the International Wheat Conference in which Peru is participating. Respecting a wheat credit, the Embassy was told that, while prospects therefor were rather remote, the Department would like to hear of any Peruvian suggestions along these lines. The instruction expressed the view that it was improbable that Peru had sufficient petroleum of her own to take care of its part of the proposed bargain and mentioned the concern of Esso Standard over the prospect that the International Petroleum Company might be required to furnish the necessary supplies in exchange for local currency.

On February 10 (Embtel 74 ⁴), the Embassy told the Department that the Argentine-Peruvian negotiations had been discussed with the Foreign Minister and that the Embassy had left an informal memorandum with him (Despatch 179, Feb. 14 ⁴). The memorandum expressed our concern that the proposed agreement might shut out private trade between the U.S. and Peru in certain commodities and cited the provisions of the Trade Agreement and the General Agreement on Tariffs and Trade on trading monopolies. The memorandum closed with the statement that the U.S. is interested in supplying wheat to Peru, and referring to the International Wheat Conference,

⁴ Not printed.

⁵ Dated May 7, 1942. The text of the agreement is printed in Department of State Executive Agreement Series No. 256, and 56 Stat. (pt. 2) 1509. For documentation on the negotiation of the agreement, see *Foreign Relations*, 1942, vol. vi, pp. 674 ff.

⁶ The text of the General Agreement on Tariffs and Trade (GATT) is contained in TIAS 1700, or 61 Stat. (pts. 5-6). Documentation on U.S. participation is contained in volume I.

indicated that, with the present outlook Peru should not be concerned about the import availability of wheat.

The mission at Lima informed the Department on February 18 (Embtel 87⁷) that Peruvian sugar interests had told the Embassy that the Peruvian cabinet had decided to abandon the barter proposal which "may now be considered dead." The Embassy stated that its informal memorandum to the Foreign Minister was before the cabinet during the discussion "with good effect."

⁷ Not printed.

501.RA/5-349 : Telegram

The Chargé in Peru (Pierrot) to the Secretary of State

CONFIDENTIAL

LIMA, May 3, 1949—1 p. m.

255. ReDeptel 139, May 2.¹ Foreign Minister Díaz Dulanto summoned me this morning to state that he is informed by Alvarado in Montevideo² that great pressure being brought on him including by American Embassy to induce Peru invite commission investigate Peruvian labor conditions similar invitation extended by Venezuela. Foreign Minister wished me convey to Department following:

(1) That personalities prominent in present ILO conference at Montevideo are unsympathetic to present Peruvian Government and using ILO conference as vehicle for embarrassing this government.

(2) That apparent undue influence of members Uruguayan Government in ILO conference partly responsible for present active efforts embarrass Peru since diplomatic relations do not exist between the two countries. Foreign Minister added that Montevideo was poor choice for seat of ILO conference for this reason so far as Peru is concerned.

(3) That Peruvian Government will not invite investigation and if delegation named by conference to conduct such investigation it would not be admitted to Peru.

I expressed to Foreign Minister our practice and belief in trade union freedom and abhorrence of deprivation freedom of association inherent in ILO Constitution and UN Charter as expressed Deptel 139. However, since he insisted no prisoners held on charges labor union activities and that union leaders imprisoned are included among large number others who with them are charged with and being tried for

¹ Not printed. This telegram was also sent to Montevideo, as telegram 108, and its contents are summarized in footnote 5 to the memorandum by Mr. Rusk, dated June 2, p. 800.

² The Fourth Conference of American States Members of the International Labor Organization met at Montevideo from April 25 to May 8, 1949.

complicity in October 3rd revolt³ I spoke to him along lines of last paragraph Deptel 139.⁴

Foreign Minister pointed out that arrests for October 3rd revolt including some labor leaders were made by Constitutional Bustamante Government and not by Odría administration.⁵

In response to specific inquiry as to grounds on which Peruvian Government would refuse to permit ILO investigation of labor conditions in Peru, Foreign Minister replied that Peruvian Government would consider such actions as intervention in Peru's internal affairs.

Foreign Minister pointed out that Junta's labor policy is supported by majority of labor in Peru and opposed mainly by professional APRA organizers and agitators; that country's interests has suffered from work stoppages resulting from strikes under previous government; that Junta's legislation has provided means for considering labor demands without resort to strikes and that under present government this system has worked satisfactorily without economic disruption and that in practically all cases government commission investigating labor demands has granted wage increases satisfactory to labor. Minister added that any ILO sponsored investigating group would be prejudiced against Odría administration and that any information on labor conditions here needed by ILO might be obtained from foreign embassies, particularly American, which have ample means for procuring complete and impartial information.

Sent Department, repeated Montevideo.

PIERROT

³ Reference is to an unsuccessful revolutionary attempt at Callao on October 3, 1948 by naval and civilian elements.

⁴ This portion of telegram 139 indicated that it should not be the United States position at Montevideo that the ILO had authority to intervene in domestic affairs, nor that labor leaders were entitled to rights beyond those enjoyed by other citizens (501.RA/4-3049).

⁵ Late in October 1948, the government of President José Luís Bustamante y Rivero had been overthrown by an armed forces revolt led by General Manuel Odría, who became President of the Military Junta of Government in Peru. For documentation on U.S. recognition of the Odría regime, see *Foreign Relations*, 1948, vol. ix, pp. 111 ff.

823.248/10-2349

Memorandum by the Chief of the Munitions Division (Elliott) to the Deputy Assistant Secretary of State for Inter-American Affairs (Barber)

SECRET

[WASHINGTON,] November 16, 1949.

The Munitions Division has received from the Lockheed Aircraft Corporation license applications for the export of four P-80 jet air-

craft to the Government of Peru for the Peruvian Air Force. This proposed purchase is the subject of despatch no. 888 of October 23, 1949 from the Embassy at Lima.¹

Despatch no. 888 reported that, despite the statements of Mr. Elmer Faucett, the Lockheed representative in Peru, that the Peruvian Government had insisted upon purchasing jet aircraft despite his recommendation to the contrary, the Chief of the U.S. Air Force Mission to Peru "is under the impression that this sale was consummated largely at the insistence of Mr. Faucett whose word and opinions carry great weight with the Peruvian Air Force officials."

The negotiation of this sale to the Peruvian Government is merely the first successful result of a stepped-up sales promotion effort in Latin America by Lockheed . . .

.

It is difficult to conceive how in any realistic concept of hemisphere defense Peru would be called upon to operate or maintain aircraft of such an advanced type. The organization of American States envisages consultation with a view toward collective action in the peaceful settlement of disputes among member nations. To permit Peru, a small country with small armed forces and a minimum of modern equipment, to import jet planes from the United States does not appear to be compatible with these objectives.

I question the appropriateness of the expenditure by Peru, an economically backward nation, of large sums for military aircraft when that money could better be spent for productive economic and social purposes. In this connection, I understand that for the years 1946-1948 the Institute of Inter-American Affairs made outright grants to Peru (matched by local currency expenditures) totalling \$1,306,000 and that the estimated amount of such grants to Peru for 1949 is \$557,830. The dollars which the Peruvian Government contemplates spending for the four P-80's alone amount to \$745,000.

On the basis of the foregoing considerations, I propose to reject the application of the Lockheed Aircraft Corporation for export licenses for four P-80 aircraft for Peru. Your comments with respect to this matter will be appreciated.²

¹ Not printed.

² In a note to the Peruvian Ambassador, not printed, dated April 4, 1950, the Secretary of State indicated that the Department had informed the Lockheed Aircraft Corporation that after careful consideration it had been determined that the applications for the export of the aircraft in question could not be approved (923.537/4-450).

823.24/11-1649 : Telegram

The Acting Secretary of State to the Embassy in Peru

CONFIDENTIAL

WASHINGTON, November 25, 1949—7 p. m.

409. Until Peru ratifies Rio treaty¹ not eligible buy arms from US Govt under Mutual Defense Assistance Act² (urlet Nov 16³). Even after such ratification doubtful whether Peru wld be interested acquiring old US Naval vessels since cost wld be original cost plus rehabilitation and thus far in excess present value in view age and condition.

Prior ratification Rio Pact US can render fol assistance in procurement naval vessels: (1) Navy guidance in planning expenditures so that Peru may realize maximum benefit, in terms hemisphere defense, of her limited funds (cost four destroyer escorts roughly estimated at sixteen million dols which doubtless exceeds Peru's naval budget); (2) US Naval assistance in selection US shipbuilders; (3) provision by US Navy of specifications for construction ships.

Dept however of opinion this limited assistance shld be withheld until lend-lease obligation settled.⁴

WEBB

¹ Peru did not ratify the Inter-American Treaty of Reciprocal Assistance (TIAS 1838; 62 Stat. (pt. 2) 1681) until October 25, 1950.

² Approved October 6, 1949; 63 Stat. 714.

³ Reference is to a letter, not printed, from Ambassador Tittmann in Lima to Mr. Sheldon Mills, Director of the Office of North and West Coast Affairs. Ambassador Tittmann alluded to the official Peruvian request of October 10 for purchase of military equipment including 8 destroyer escorts (711.23/10-1049) and indicated that the Peruvian Government would probably be willing to settle for a purchase of 4 vessels. (823.24/11-1649)

⁴ In telegram 696, November 30, from Lima, not printed, Ambassador Tittmann reported that he had conveyed the content of Department telegram 409 to the Peruvian Minister of Marine Admiral Roque Saldías, who "... was disappointed but showed understanding. . . ." (611.2331/11-3049)

823.24/12-149 : Telegram

The Ambassador in Peru (Tittmann) to the Secretary of State

CONFIDENTIAL

LIMA, December 1, 1949—5 p. m.

699. Embtel 696 November 30¹ President Odría, in presence of Finance Minister, informed me today that Peru is ready to start payments immediately of 300,000 soles per month on account of lend-lease obligation. He said he realized inadequacy of this small amount,

¹ Not printed; in it, Ambassador Tittmann informed the Department that on November 30 he had handed the Foreign Minister a formal note dealing with intergovernmental debts in arrears and major commercial policy problems (611.2331/11-3049).

but explained that it was all budget could stand for the moment. He expressed hope we would accept offer as "a starter" with understanding that there might be negotiations later for larger amount when things had quieted down and government was no longer being harassed, as it is at present, for payments of all kinds from every direction, as result of operation new exchange decree. Odría said he would prefer to pay installments in *soles* to our Embassy here as practical procedure.

I told Odría that I thanked him for good will displayed by his offer and would inform Department soonest. I also asked him to be sure to present offer to Department through Ambassador Berckemeyer in Washington. Odría replied he would telephone forthwith.

Please advise Department's reaction and next step, if any, Embassy should take. Embassy assumes exchange rate will be decided in Washington.

TITTMANN

611.2331/10-1049

The Secretary of State to the Peruvian Ambassador (Berckemeyer)

WASHINGTON, December 2, 1949.

EXCELLENCY: I have the honor to refer again to Your Excellency's note of October 10, 1949,¹ requesting that the United States Government undertake negotiations directed toward the revision of the trade agreement in force between our respective Governments since 1942.

It is not clear whether the Peruvian Government intends that the proposed negotiations be conducted independently of the General Agreement on Tariffs and Trade or within the compass of that multilateral accord. As the Peruvian Government has been informed on various occasions, it is the general practice of the United States Government to negotiate new, or renegotiate existing, bilateral trade agreements only in conjunction with the accession of the other Government or Governments concerned to the GATT. In the circumstances, the United States Government cannot undertake to renegotiate at this time the existing bilateral trade agreement.

On the other hand, my Government would prefer, if possible, to avoid termination at present of the existing trade agreement and would hope instead that some mutually acceptable basis could be found for continuing that instrument in force pending Peru's accession to the GATT. In this connection, it is pleased to note that Peru intends to adhere to the general principles contained in the General Agreement on Tariffs and Trade and expects to participate in the next session of GATT tariff negotiations opening September 28, 1950. My

¹ Not printed.

Government, therefore, submits for the consideration of the Peruvian Government the following proposal which, it is believed, would fully satisfy the objectives underlying the proposal advanced by the Peruvian Government and, at the same time, would be in accord with the position of my Government set forth above:

It is proposed that discussions between representatives of our two Governments be initiated as soon as possible to determine whether a satisfactory basis can be found for the United States Government to grant a waiver of relevant provisions of the trade agreement which would permit the Peruvian Government to apply revised rates of duty to the products listed in Schedule I in accordance with some mutually acceptable formula taking account of the effect of price changes in Peru on the incidence of the rates of duty specified in Schedule I, and which would permit the continuation in force of the agreement pending Peru's accession to the GATT.

If the foregoing proposal meets with the approval of the Peruvian Government, it is suggested that the discussions be initiated at an early date in order that it may be determined whether a mutually satisfactory basis may be reached for adjustment of the Schedule I rates of duty which would make it possible for Peru and the United States to enter into more comprehensive negotiations at the forthcoming third set of GATT tariff negotiations. In this connection, attention is called to the timetable of preparations for the third set of GATT tariff negotiations which is set forth in document GATT/CP/36, September 30, 1949. It is understood that a copy of this document was sent to the Peruvian Government by Mr. Eric Wyndham White, Executive Secretary of the Interim Commission for the International Trade Organization. Because of this timetable and also of the domestic procedures under the Trade Agreements Act of public notice and hearings which must be carried out prior to the United States entering into tariff negotiations at the third round, it is important that a decision be reached at an early date whether our two Governments would enter into tariff negotiations at the third round. Consequently, my Government would hope that the discussions proposed above might be concluded no later than the early part of January, 1950. If no agreement should be reached by such time, our two Governments could then consider the question of joint termination of the trade agreement.²

Accept [etc.]

For the Secretary of State:

WILLARD F. BARBER

² The reciprocal trade agreement between the United States and Peru, dated May 7, 1942, was terminated by an agreement effective October 7, 1951; the text is printed as TIAS No. 2421 in *United States Treaties and Other International Agreements* (UST), vol. 3 (pt. 2), p. 2548.

823.24/12-149 : Telegram

The Secretary of State to the Embassy in Peru

CONFIDENTIAL

WASHINGTON, December 8, 1949—5 p. m.

423. Peru Amb visited Dept Fri¹ offering token payt unspecified quantity *soles* as prelude to formal L-L sett arrangement for later negot. Conversion rate not mentioned.² (Embtel 699 Dec 1) Amb informed offer appreciated but Dept unable consider any *soles* payt not covered by formal sett specifying over-all terms of payt and exch rate. No conclusion reached. Dept agreed to furnish Amb this week draft sett formula which it believes would be acceptable to Dept. Further info airmail.³

ACHESON

¹ December 2, 1949.

² On November 14, the Government of Peru had abolished the official exchange rate of 6.50 *soles* to the dollar, thus ending the dual system of official and free rates for the *sol*.

³ See instruction No. 310, December 28, to Lima, p. 775.

823.00/12-2049

Memorandum by the Director of the Office of North and West Coast Affairs (Mills) to the Assistant Secretary of State for Inter-American Affairs (Miller)

CONFIDENTIAL

[WASHINGTON,] December 20, 1949.

You inquired as to what we are doing or should do about trying to see that Haya de la Torre gets fair treatment from the Peruvian Government.¹

Our early action in this case was based on the assumption that the Peruvian Government would live up to its international commitments including, we believe, one to respect the right of asylum and grant a safe conduct. All our information in the first two months after Haya entered the Colombian Embassy was to the effect that it was only a matter of time until the safe conduct would be granted. We therefore authorized in advance the issuance of a visitor's visa (1/12/49) and authorized a consular officer to visit the Colombian Embassy to take

¹ On January 3, 1949, Victor Raúl Haya de la Torre, leader of the APRA party, whose arrest had been ordered by the Peruvian Government for implication in the unsuccessful revolt of October 3, 1948, took refuge in the Colombian Embassy in Lima. The Colombian Ambassador informed the Peruvian Foreign Minister that Haya had been granted political asylum and requested a safe-conduct for Haya's departure from the country. On February 22, 1949, the Government of Peru formally denied the request for a safe-conduct.

Material on the Haya asylum case for the year 1949 in the Department of State files is contained principally in decimal file 823.00.

Haya's signatures and fingerprints, on the assumption that it would be impossible for him to visit the Consulate (1/17/49).

Following the decision of the Peruvian Government to delay more or less indefinitely the granting of the safe conduct, we repeatedly informed Peruvian authorities here and in Lima that while the US was not a party to the asylum conventions, we were deeply concerned about the tranquility of the continent. We believed that as long as Haya was kept in Peru there was opportunity and cause for serious friction. (Copies of the Department's telegrams 40 of February 11² and 54 of March 1,³ which were repeated to our missions in various of the other American republics, are attached.)

Early in March, and at various times before and since, we advised the Colombians to adopt a calmer attitude toward the dispute, in view of the inflammatory telegrams the Colombian Ambassador to Peru was sending to his Government, and of the freedom with which they talked about the possibility of war. During March and April we continued to impress upon Peruvian officials our view that the only practical solution of the problem was to permit Haya to leave.

In March Ambassador Tittmann suggested matters might be helped by an offer of good offices by the Vatican, through either the Papal Nuncio, the Archbishop of Lima, or both. Other mediation efforts proposed and explored at length were discussions among the Ambassadors of the OAR in Rio, Washington, and Lima. Various suggestions were made, with our knowledge and open support or tacit

² Not printed.

³ This telegram read in part as follows:

"Dept does not intend become involved legal discussions between Peru and Colom re meaning various conventions on asylum. It believes however legal auths most AmReps which recognize asylum wld agree Colom Emb granted asylum Haya in good faith as outstanding polit figure and wld also agree he is bona fide polit refugee.

"US interest continues be in tranquility and friendly relations among AmReps. Refusal grant Haya safe conduct has threatened such tranquility and Dept considers threat will continue until Haya has left Peru.

"Dept fully appreciates delicate nature internal polit situation Peru. It wld however be unfortunate if emphasis placed on domestic considerations (urtel 100 Feb 26) were to cause deterioration and aggravation of friendly internatl relations." (823.00/2-2649)

In telegram 100, February 26, from Lima, Ambassador Tittmann had informed the Department:

"Press today reports demonstration by large gathering in Palace of representatives of various social, commercial, political, and labor elements in support Government's decision deny Haya safe conduct. Odría addressing gathering stated Government convinced it thus interprets properly public sentiment in refusing grant safe conduct to 'asylee' against whom rest grave national charges of mass assassinations involving military chiefs, officials, and soldiers, citizens, and publishers and of creating disorder, poisoning mind of youth, and proselytizing labor for own ends. . . ." (823.00/2-2649)

approval, for mediation efforts by individual Ambassadors of the OAR, or by a group of them.* All of these efforts came to naught.

We had informally proposed possible conciliation or arbitration, or judicial settlement. Dr. Victor Andrés Belaúnde⁴ claims credit for persuading Odría to accept reference of the case to the International Court of Justice (April). The good offices of Ambassadors Tittmann and Faro (Brazil) were largely instrumental in securing the final agreement between Peru and Colombia on submission of the case (August 31). Under the schedule of dates for submission of briefs on the case issued by the Court, it cannot begin to study and rule on the case before June 1950 at the earliest.

Laureano Gómez has said that when he is inaugurated he will maintain the same position Colombia has been following on the case, and will not turn Haya over to the Peruvians.⁵ His statement removes one possible source of injustice. Action by the Peruvian Government or individual Peruvians forcibly to remove Haya from the Colombian Embassy is always a possibility, but is considered unlikely.

The Peruvian court hearing the Graña case has at long last convicted the ten defendants to varying terms of imprisonment,⁶ and has started an investigation of Haya's part as "intellectual author" of the assassination. A special court is still sitting on the Callao revolt⁷ trials. It is possible that Haya will be indicted or convicted of complicity in both cases before the International Court of Justice takes up his case next June or thereabouts. I believe it unlikely that the International Court will be swayed by such considerations in its consideration of the question of asylum. Since Peru's principal aim in the case now seems to be to "lose with honor", I further believe that it will accept and act on the Court's decision. (This is based on the assumption that the present Government remains in power and is able to maintain order.)

*Cuba threatened to refer its asylum case to the Inter-American Peace Committee. While it did so (August 2) the Committee never took the case up, as the two Apristas in asylum in the Cuban Embassy escaped about August 15. If the case had come before the Committee, Colombia said it would have to present the Haya case also. [Footnote in the source text.]

A marginal note in the source text read as follows:

"It was formally withdrawn by the Cuban Rep—E.A.J."

Edward A. Jamison was officer in charge of special political problems in the Office of Regional American Affairs.

⁴ Peruvian diplomat and jurist.

⁵ Laureano Gómez was President-elect of Colombia. For documentation on the political situation in Colombia, see pp. 603 ff.

⁶ The court's decision in the trial for the murder of Francisco Graña Garland, editor of the conservative newspaper *La Prensa*, who had been shot to death on January 8, 1947, was handed down on December 2, 1949 (despatch No. 1130, December 15, 1949, from Lima, not printed; 823.00/12-1549).

⁷ Reference is to the unsuccessful revolt of October 3, 1948.

Conclusion: Since the case is now before the International Court, I do not believe that any useful purpose would be served by further representations by us at present. We should, of course, continue to watch the case carefully, and consult with the OAR or issue a protest if it should appear that justice is to be thwarted.⁸

⁸ The following marginal note by Mr. Jamison appeared in the source text:

"There does not at the moment appear to be any useful alternative which would not bring the international procedures into disrepute, but there is an unfortunate irony in the fact that the effect of this will be to keep Haya confined to the Colombian Embassy for a hell of a long time. I am consulting with Miss Whiteman (L/T) on whether there might be any avenue out of the impasse."

Concerning the course of the Haya case before the International Court of Justice, see Marjorie Whiteman, *Digest of International Law* (Washington, Government Printing Office, 1968), vol. 6, pp. 473-488. In a series of decisions, the ICJ concluded: ". . . 'that the asylum must cease, but that the Government of Colombia is under no obligation to bring this about by surrendering the refugee to the Peruvian authorities', [and] the Court declined to give any practical advice as to the various courses that might be followed with a view to terminating the asylum, 'since, by doing so, it would depart from its judicial function.'"
(*Ibid.*, p. 486) Ultimately, the two Governments reached agreement for a safe-conduct to be followed by Haya's expulsion from Peru, which took place on April 6, 1954. After an exile of 3 years, Haya returned to Peru on July 25, 1957 (*ibid.*, p. 488).

S23.24 FLC/12-949

The Secretary of State to the Embassy in Peru

CONFIDENTIAL

WASHINGTON, December 28, 1949.

No. 310

The Secretary of State refers to the Embassy's confidential telegrams No. 681 of November 21,¹ No. 696 of November 30,² No. 699 of December 1 and No. 713 of December 9, 1949;¹ also to the Department's confidential telegrams No. 423 of December 8 and No. 430 of December 14, 1949,¹ all relating to the general subject of the Peruvian lend-lease settlement negotiations.

The Department, which has continued to exert pressure upon the Embassy of Peru in an effort to influence suitable action on the lend-lease matter by the Government of Peru, has greatly been aided by the completeness and clarity of the several communications received from the Embassy reporting the course of developments which have taken place in Lima. Through these reports it has become apparent to the Department that the course of the negotiations has become somewhat confused insofar as the Government of Peru is concerned. This is evidenced in the fact that it has been incumbent upon the Officer in

¹ Not printed.

² See footnote 4 to telegram 409, November 25, to Lima, p. 769 and footnote 1 to telegram 699, December 1, from Lima, p. 769.

Charge to discuss phases of the lend-lease settlement negotiations with so many officials representing as many branches of the Government of Peru and to reconcile the various shades of thinking expressed by each of them. Also, the fact that, after repeated refusals by the Department, in its talks with Ambassador Berckemeyer and with Señor Pedro Beltrán,³ to discuss settlement terms which would exceed five years for full payment, an offer was made by President Odría which, had it been so much as taken under serious consideration, might have had the effect of committing this Government to a continuing program of payments in the amount of the so-called "token offer" of 300,000 *soles* per month thus requiring, on the basis of the present uncontrolled rate of exchange, approximately fifteen years for full and final liquidation of the indebtedness.

A copy of the Department's Memorandum of Conversation of December 2, 1949,⁴ covering Ambassador Berckemeyer's call to present this "token" offer was sent to the Officer in Charge under transmittal slip. The reaction of the Department was reported briefly to the Embassy in confidential telegram No. 423.

There are transmitted herewith a Memorandum of Conversation dated December 12,⁴ reporting a meeting with Peruvian Embassy officials at the Peruvian Chancery on December 9, 1949, and an attachment⁴ representing a suggested settlement formula which the Peruvians might wish to consider as a model for submitting a formal settlement proposal to the Department. While the coverage of these two documents is sufficiently clear and appears to require no special amplification, the attention of the Officer in Charge is directed to the fact that, although the draft note explicitly indicates a three year term of payment, the Department has stated very clearly that a proposal couched in the same general terms but allowing for a five year term will be accorded most sympathetic consideration. It was on the assumption that a five year settlement would be more readily acceptable to the Peruvians than would a three year settlement that, in reply to the Embassy's telegram No. 713, the Department, in its telegram No. 430, indicated that an appropriate Peruvian budget appropriation for lend-lease payments in the next fiscal year should amount to \$600,000, payable in its *soles*' equivalent.

It may be noted that the first paragraph of Section A of the draft settlement formula specifically leaves the acceptance of *soles* in lieu of dollars "at the option of the Government of the United States". In

³ Chairman of the Board of the Central Reserve Bank of Peru.

⁴ Not printed.

our conversations with the Peruvian Ambassador and members of his official staff it has been agreed, in principle, that about half of the total amount due, i.e., \$1,500,000, may be paid in *soles* with the remainder (\$1,472,717.84) payable in dollars with convertibility to *soles* only at the option of this Government.

If the Government of Peru had been prompt in making an acceptable offer of settlement, the Department would have been willing to have given consideration to a reasonable middle rate. With the recent abandonment of the old par value for the *sol*,⁵ which had long ceased to be realistic, and the adoption of a floating rate determined by supply and demand, it is obvious to this Government that this new rate should apply if the Peruvian Government wishes to propose partial settlement in *soles* rather than dollars.

The Department, contrary to the possible misconception of some Peruvian officials, does not under-rate the economic and financial stress of Peru either at this time or for the near future. On the other hand it does believe that the terms offered for reaching a lend-lease settlement are neither unreasonable nor prohibitive.

Ambassador Berekemeyer has made it clear to Department officers with whom he has long been engaged in negotiations on this problem that he sincerely regrets that his Government has been so dilatory in its settlement of this long standing World War II indebtedness. The credit standing of a Government is subject to careful scrutiny whenever new accommodations are sought and a record of indifference with respect to past obligations cannot but be a serious impediment. Moreover it has not escaped notice that preferred attention apparently has been given by the Government of Peru to a much more recently assumed commitment to the Argentine Government.⁶

The Department, in deciding to give a new start to the negotiations in the described manner, is most serious in its determination to reach the earliest possible conclusion to the course of those negotiations which, in their earlier phases, were started on March 3, 1948, with former Ambassador Ferreyros.⁷

The continued valuable cooperation of the Embassy is anticipated.

⁵ See footnote 2 to telegram 423, December 8, to Lima, p. 772.

⁶ On August 22, 1949, Peru and Argentina had concluded a Commercial and Financial Agreement, a copy of which was transmitted to the Department with despatch No. 755, August 31, from Lima, not printed (623.3531/8-3149). On November 21, the Government of Peru published a decree authorizing payment of \$1 million to Argentina under the terms of the Agreement (623.3531/12-849; 823.51/12-2749).

⁷ For pertinent documentation, see *Foreign Relations*, 1948, vol. ix, pp. 725-727 and 734-736.

823.51/12-3149

The Ambassador in Peru (Tittmann) to the Secretary of State

RESTRICTED

LIMA, December 31, 1949.

On December 29, 1949 I had an audience with President Odría on the subject of commercial debts in arrears, at which time I left with him an additional copy of my letter to him of December 24, 1949,¹ including a verbatim text of the Department's clear language telegram no. 439 of December 23, 1949² expressing the view that the continued delay in the payment of these obligations is obviously damaging to the credit standing of Peru.

At the same time, I left with the President, in memorandum form, so much of my note of November 29, 1949³ to the Minister of Foreign Relations as bears upon the problem of these commercial arrearages.

1) The President said that the Peruvian Government, anxious to regain its lost credit abroad, intended to pay all its legitimate commercial obligations in arrears, even though these might have been contracted by a previous regime. He added that he himself was giving his personal attention to the solution of this matter.⁴ However, he said he did not wish to agree to something that was beyond Peru's capacity to pay, especially at a time when Peru is changing over from a policy of controlled to free exchange. Therefore, immediate and complete payment of the arrears was out of the question but as soon as the Commission investigating the legitimacy of the claims for payments had completed its work early in the new year, a schedule of payments over a period of time would be worked out. The President added that he was thinking of using the commercial debt payments in connection with exchange control; that is, when the *sol* displayed too much strength he would correct this by purchasing dollars for the commercial arrears amount.

2) The President asked me if I knew anything about the status of his recent offer to us to start immediate payments of 300,000 *soles* per

¹ Not printed.

² The text of this telegram read as follows:

"No indication yet recd Peru has acted upon Klein Mission recommendation that commercial arrearages be liquidated. Report whether action probable near future. Obviously contd delay damaging credit standing Peru." (823.50/12-2349)

The Klein Mission, under the direction of the American economist Julius Klein, had been conducting a study of the Peruvian economic and financial situation at the request of the Government of Peru.

³ Not printed, but see footnote 1 to telegram 699, December 1, from Lima, p. 769.

⁴ Under date of December 19, 1949, the Peruvian Ambassador had transmitted to the Department a payment of \$58,285.67 on Peru's Surplus Property account. The figure reflected a U.S. allowance of \$57,886.92 by way of settlement of Peru's claim against the United States in the *Marañon* case. (823.24 FLC/4-3049; 823.51/5-2549; 823.24/12-1949; 823.24/12-2049). For documentation, see *Foreign Relations*, 1941, vol. VII, pp. 508 ff.

month into a lend-lease account. Acting on my suggestion that the negotiations for the settlement of the lend-lease account be transferred to Washington, he had telephoned his proposition to Ambassador Berckemeyer several weeks ago, but had heard nothing whatever from him in reply. When I reiterated that the matter was now in the hands of the State Department and Ambassador Berckemeyer, the President said that he would telephone Berckemeyer again as he would like to have an answer as soon as possible.⁵ He said the details regarding an exchange rate, etc., could be worked out later but meanwhile, if we wanted them, the *soles* would be accumulating to our credit beginning immediately. The President urged that a prompt reply be made by the Department since he wishes to include the item in the budget which is at present being made up.

3) The President said that general elections would take place on the first Sunday in June next and that the new Legislature would meet for the first time on July 28th. He would give no other details of electoral plans, but said that it was obvious that in a politically immature country like Peru, the Executive and Legislature would have to follow the same policy or the result would be another disaster.

Respectfully yours,

HAROLD H. TITTMANN

⁵ A marginal note, dated January 10, 1950, by Mr. J. C. Lobenstine of the Office of North and West Coast Affairs read: "Ambassador Berckemeyer informed informally".

For the Department's reaction to the Peruvian lend-lease offer, see telegram 423, December 8, to Lima, p. 772, and instruction No. 310, December 28, to Lima, *supra*.

URUGUAY

POLITICAL AND ECONOMIC RELATIONS OF THE UNITED STATES AND URUGUAY¹

733.35/2-1649

Memorandum by Mr. R. Kenneth Oakley of the Division of River Plate Affairs to the Director of the Office of American Republic Affairs (Daniels)

SECRET

[WASHINGTON,] February 16, 1949.

Ambassador Briggs inquired on August 5 concerning possible US assurances to Uruguay in case of an overt action by Argentina. We replied on September 30, 1948 that it appeared logical that United States armed assistance would result from an armed attack on Uruguay, although the Rio Treaty of 1947² is not binding as to armed assistance.

In reply to a similar inquiry by Uruguayan Ambassador Domínguez Cápura on February 10, 1949, Mr. Daniels replied as follows.³ If

¹ For previous documentation, see *Foreign Relations*, 1948, vol. ix, pp. 738 ff.

² For the text of the Inter-American Treaty of Reciprocal Assistance, see Department of State Treaties and other International Acts Series (TIAS) No. 1838, or 62 Stat. (pt. 2) 1681.

The United States had also given Uruguay certain guarantees of support in 1944. Department of State telegram 412 to Montevideo, July 12, 1944, not printed, instructed the Ambassador to ". . . inform the President [Juan José Amézaga] and the Foreign Minister [José Serrato] in strict confidence that in the event of attack we are prepared to extend the necessary military and naval assistance. You may, in your discretion, also state that we have consulted the Brazilian Government and have been assured of its cooperation. We are likewise prepared to extend all necessary economic assistance in the event of Argentine reprisals and you may so inform the President and Foreign Minister." (733.35/7-1144) In telegram 676, July 15, 1944, not printed, Ambassador Dawson reported that he had delivered these assurances on July 13 and 14, 1944, but had omitted any mention of Brazil (733.35/7-1544).

This question had been raised by Uruguayan officials at a time when the United States was urging the other American Republics to recall for consultation their respective Chiefs of Mission in Buenos Aires. The Department's instruction was sent after consultation with President Roosevelt and the Joint Chiefs of Staff.

Further information on these previous assurances to Uruguay is in files 733.35, 734.35 and 835.01 for 1944. For documentation relating to U.S. efforts to enlist the American Republics in a common policy towards Argentina, see *Foreign Relations*, 1944, vol. vii, pp. 288-377.

³ In his memorandum of this conversation dated February 10, 1949 (not printed), Mr. Daniels stated: "The Ambassador had reminded me that the United States, on at least one other occasion, had given a specific commitment, even before the Rio Treaty." (811.003 Barkley, A. W./2-1049)

For further information on the Argentine attitude toward Uruguay, see despatch No. 167 from Buenos Aires, March 8, 1949, p. 483, in the compilation on Argentina.

Uruguay should be the victim of an armed attack, and if the United States were completely and unquestionably satisfied that such attack came within the provisions of the Rio Treaty, he supposed ("supongo") that the United States would immediately render armed assistance, without waiting for a meeting of the Organ of Consultation. He added that he would even consider it "probable" that the United States would so act, since he agreed that such action would be within the spirit of the Rio Treaty. However, Mr. Daniels prefaced these statements by pointing out that it might be unnecessary to act unilaterally and even more desirable to take collective action; that he did not wish to make any statement which might be misinterpreted as a threat to a third country; and that he could not commit his government because circumstances at the moment of any attack are difficult to evaluate now and that officials of the United States Government at any such time might have a different point of view.

On armed assistance, that is about as far as we can go. We cannot bind ourselves to action under unforeseeable and perhaps impossible conditions although we fully intend to live up to the spirit as well as the letter of our commitment "to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense". (Article 3 (1))

Expanding somewhat on Mr. Daniel's statement that collective action might be more desirable than individual though immediate armed assistance, reference is made particularly to Article 7 of the Rio Treaty. An examination of a report of the American Delegation indicates that this Article was inserted because of the desire of the majority that, in case of a conflict between two or more American states, every effort should be made to avoid having other states take sides and spread the conflict.⁴ The right to immediate action "to assist in meeting the attack" remained unimpaired nevertheless.

A Uruguayan policy statement, now in draft, but, for all effective purposes, approved (an identical statement re Paraguay already has been approved), states that "the US recognizes that Uruguay naturally lies within the economic orbit of Argentina, and that the two nations have largely identic interests.⁵ Therefore, we do not oppose any natural movement toward greater collaboration between the two countries, either economic, cultural or political. On the other hand, the US would oppose any Argentine action of an aggressive nature."

⁴ *Inter-American Conference for the Maintenance of Continental Peace and Security, Quitandinha, Brazil, August 15-September 2, 1947: Report of the Delegation of the United States of America*, Department of State publication 3016 (Washington, Government Printing Office, 1948).

⁵ In the Policy Statement for Uruguay adopted November 17, 1950, this sentence read: "We recognize Argentine influence in Uruguay as natural and understand the large identity of interests between the two nations." (611.33/11-1750)

This statement includes [options?] other than armed assistance, to confront aggression, armed or otherwise. In the case of an aggression which is not an armed attack, the Rio Treaty calls only for a meeting of the Organ of Consultation to decide on measures to assist the victim of aggression or measures for the common defense and the maintenance of the peace and security of the Continent.

Uruguay obviously is not so much concerned with the possibility of armed aggression by an American State as it is with the less remote prospect of political-economic pressure and penetration by one of its more powerful neighbors. Article 6 of the Rio Treaty merely implies (albeit strongly) support for the victim in such cases, and only when the measures are determined to constitute aggression. Furthermore, Article 6 can be effective only if there is agreement on the difficult question of the nature of aggression and on the equally difficult question of whether the actions constitute aggressive acts. It is recognized that, in any case, considerable time might elapse before Inter-American measures might be adopted and put into force for the support of an American nation confronted with aggression not in the nature of an armed attack, particularly should such aggression derive from another American state.

Although, as mentioned above, Article 6 carries only an implication of support in cases of this nature, the United States considers itself bound to render such support. Although it would not resort to the measures of support against aggression envisaged in Article 8 of the Rio Treaty (recall of chiefs of diplomatic missions; breaking of diplomatic relations; . . .; partial or complete interruption of economic relations; . . .; ⁶ and use of armed force) without prior consultation with the other American States, the United States undoubtedly would act unilaterally to support an American State by interim measures such as supplying basic foodstuffs on a temporary basis (for example, the specific problem of wheat mentioned in Amb. Brigg's despatch ⁷), provided of course that this Government were convinced that aggression actually were involved. However, again we could not irrevocably bind ourselves for an unforeseeable and perhaps impossible situation.

In any instance of a claimed aggression, we must needs be absolutely certain that aggression did exist. In this regard, it must be remembered that public opinion, to say nothing of the press, is too easily excited into hasty judgment of certain actions as aggression. Furthermore, too precipitate action by the United States to support an

⁶ Omissions indicated in the source text.

⁷ Despatch No. 745 from Montevideo, November 8, 1948, not printed. included a comprehensive review of Uruguayan economic and other relations with Argentina (733.35/11-48).

American State against actions which might be based only on misunderstanding, might well compound rather than relieve a difficult situation.

Another problem is that, should US assurances to some State become known to some of its neighbors, the latter might consider themselves offended on the grounds that the assurances imply the existence of a threat where none actually exists. Since this situation invariably is present at some point or other in the Americas, we must limit ourselves to multilateral assurances, although our position is identical with regard to every one of the 20 other American republics, and is entirely nondiscriminatory.

Recent events in United States-Argentine relations are recognized to have provoked a certain fear among neighbors of Argentina that the United States is cultivating its relations with the latter nation at the possible sacrifice of its good relations with other American nations, especially Uruguay and Brazil, which proved themselves in the recent war to be good friends and allies of the combatant United Nations. The United States indeed is endeavoring to cement better relationship with Argentina. Under no circumstances, however, does it propose to sacrifice its already proven relationship with Uruguay, Brazil and other American nations which exhibited their support for the United Nations war effort before Argentina did. We firmly believe that it is of great and direct interest to Uruguay and other nations that United States-Argentine relations be improved in every possible way, within the concept mentioned above, and that Uruguay and these other nations should not only view with favor but should encourage such a development in their own self-interest and for their own protection over the long period.⁸

⁸ A brief note from Mr. Daniels to Mr. Oakley, dated February 18, 1949, and attached to the file copy of this memorandum, says in part: "Excellent analysis. I agree throughout."

123 Briggs, Ellis O.: Telegram

The Ambassador in Uruguay (Briggs) to the Secretary of State

SECRET

MONTEVIDEO, February 18, 1949—6 p. m.

31. Commotion over Tomlinson February 12 broadcast¹ shows little signs abating in Montevideo and my position, because of continued official silence from Washington, becoming increasingly difficult.

¹ Ambassador Briggs reported in telegram 29 from Montevideo, February 16, 1949, not printed, that a Washington UP despatch published in Montevideo February 13 quoted from Edward Tomlinson's radio report that Argentine Foreign Minister Juan D. Bramuglia, when recently in Washington, had requested Ambassador Briggs' removal from Montevideo (123 Briggs, Ellis O.).

It is likewise becoming increasingly difficult for me to understand both that silence and reason why, over two months after Dr. Bramuglia's visit to Washington, I have still not been informed his remarks re me. I can infer their general tenor from press account Tomlinson broadcast, from Ray's telegram 172,² February 17 and from other indirect sources, but have not been informed by my own home office and until I am so informed I must reserve right to make subsequent comment.

I first learned I was object Argentine hostility from Uruguayan source, specifically President of Uruguay who told me in December 1947, 15 months ago. News continued reaching me from time to time from him and other Uruguayan officials but these Argentine activities, and statements reportedly made about me by President Perón, seemed so silly that I found it difficult credit them or to believe that Argentine Government seriously thought it could dictate to our government what Ambassador should represent US in third country. It was not until November 5 last, these reports having become even more persistent, that I sent personal letter about them to Woodward ARA.³ Moreover, it was not until matter had reached official record in correspondence from Embassy Buenos Aires to Department following approach to Ambassador Bruce by Perón's police chief that I reported officially to Department what appeared to be happening (mydesps 755, November 18 and 762, November 19⁴). Furthermore, at about same time Ambassador Bruce was good enough on his own initiative, before Bramuglia's visit to Washington to write personally to Mr. Lovett indicating Argentine complaint had no justification.

Matter not without its amusing aspects, for example somewhat novel contribution to doctrine of non-intervention inherent these Argentine activities and indicated most recently by Bramuglia's remark to Ray (Buenos Aires telegram 172, February 17⁵) that Perón now "has no objection" my continuing as US Ambassador to Uruguay. On other hand, it is becoming less easy enjoy these aspects in view growing discomfort to which Department's failure to back me up is exposing me. Uruguayan officials, apparently well informed by their own sources of this whole matter, appear bewildered that press story remains unanswered by Department.

I, therefore, respectfully request immediate investigation be made of my service in Uruguay. I make this request in confident expectation that Department will be equally eager establish facts and whatever

² Not printed. Guy W. Ray was Counselor of Embassy at Buenos Aires.

³ Letter not printed, but see telegram 380, November 6, 1948, from Montevideo and telegram 1075, December 23, 1948, to Buenos Aires, in *Foreign Relations*, 1948, vol. ix, pp. 297, 309.

⁴ Neither printed.

⁵ Not printed.

may underlie them (including possible relevance certain matters described mytel 30, February 17⁶).

As contribution to that investigation, I repeat following excerpt from paragraph 6 mytel 30: "At no time have I considered it any part my duties as Ambassador to Uruguay to interest myself in, much less participate in, Argentine-US relations. I have closely followed Uruguayan-Argentine relations which are of absorbing interest to Uruguay. But I have volunteered no comments on Argentina to Uruguayan officials and have taken no initiative in discussing Uruguayan-Argentine relations. My reporting has been limited to conveying the views of President of Uruguay and other officials his government when they have taken initiative of discussing them with me."

To extent so-called Argentine allegations are known to me, I declare them to be false and preposterous. I also respectfully request this message be brought personal attention Secretary and Ambassador Bruce as well as Messrs. Peurifoy, Ravndal and Daniels.

Sent Department 31, repeated Buenos Aires for Ray only.

BRIGGS

⁶ Not printed.

710. Consultation 4/2-2449

*Memorandum of Conversation, by the Director of the Office of
American Republic Affairs (Daniels)*

CONFIDENTIAL

[WASHINGTON,] February 24, 1949.

Subject: Obligations of the Rio Treaty.

Participants: Ambassador Domínguez Cámpora of Uruguay
Mr. Paul C. Daniels, Director of ARA
Mr. Robert F. Woodward—ARA
Mr. William Sanders—UNA
Mr. John C. Dreier—IA ¹
Mr. R. Kenneth Oakley—RPA

The conversation was in continuation of the discussion held in Mr. Daniels' office on February 10 (see memorandum of conversation of that date ²).

After some preliminary conversation on miscellaneous subjects, Mr. Daniels told the Ambassador that he had given further thought to our earlier conversation and had consulted with various colleagues in the Department with the result that he did not find it

¹ Robert F. Woodward, Deputy Director, Office of American Republic Affairs; William Sanders, Acting Director, Office of United Nations Affairs; John C. Dreier, Chief, Division of Special Inter-American Affairs.

² Not printed.

possible to go any further than he had during their earlier conversation with regard to the exact nature of the assistance which the United States might give to Uruguay in the event of an armed attack. He said, however, that he felt further discussion would be useful because it was the Department's desire to reach a clear, common understanding with the Government of Uruguay regarding the nature of the obligations imposed by that Treaty.

The Ambassador reviewed at some length the problem on his mind, which may be summarized as follows:

1. Authoritative statements from official United States sources (e.g. the Report of the U.S. Delegation on the Rio Conference, and the Report of the Senate Foreign Relations Committee on the Rio Treaty³) expressed very clearly the view that the Rio Treaty involved an obligation for immediate and effective assistance in the event of an armed attack coming under Article 3, even before a meeting of the Organ of Consultation;

2. Uruguay wished confirmation of this view in terms of the hypothetical case of an armed attack upon her;

3. The Ambassador had been disturbed by what he termed Mr. Daniels' "reticence" in replying to his question during their last conversation. He said he felt that the spirit of the Rio Treaty had been lacking in the reply (see memorandum of conversation of February 10, 1949).

Mr. Daniels expressed the very cordial feeling of friendship which the United States had for Uruguay, but pointed out that provisions of the Rio Treaty would, of course, be applied equally to all parties, and that however friendly our feelings for Uruguay were, we could not develop a special case for application of the Treaty to situations in which she might become involved. The Ambassador agreed with the correctness of this view.

Mr. Sanders said that the United States, like Uruguay, interprets the spirit of the Rio Treaty as requiring immediate and effective assistance in case of an armed attack. The nature, timing and exact extent of the immediate assistance is of course left for determination by each of the parties. He understood that Article 7, which had been drafted because of the strong feeling of many of the Latin American governments that conflicts between American states should be handled through pacific procedures, contemplated possible cases in which it would be more appropriate to await the decision of the Organ of Consultation in order to avoid a generalization of the armed conflict. The

³ Senate Committee on Foreign Relations, Executive Report No. 11, 80th Cong., 1st Sess.

Ambassador seemed to feel that Article 7 did not apply in the case of an armed attack.

There followed further discussion of various technical points of the Treaty, at the close of which Mr. Sanders said he, of course, fully agreed that the Treaty contained, as basic to all its provisions, the juridical obligation, stated in Article 3, that each party would assist in meeting an armed attack. Mr. Sanders' comments, with which no one had even implied disagreement, apparently pleased the Ambassador greatly, who said he felt that, on that basis, we could easily come to an understanding regarding the nature of the obligations imposed by the Rio Treaty.

It was agreed that the discussion should continue, and that the Ambassador would, before the next conversation, present a memorandum of his interpretation of the treaty obligations which he believed would serve as the basis of a mutual understanding.

PAUL C. DANIELS

123 Briggs, Ellis O.: Telegram

The Secretary of State to the Embassy in Uruguay

SECRET

WASHINGTON, February 28, 1949—7 p. m.

33. Bramuglia mentioned to ActSecy Lovett during conversation on other matters he had been concerned by reports from Montevideo that you had shown unfriendly and critical attitude toward Arg Govt. (Urtels 31 and 33 ¹) He specifically stated there was no question his presuming suggest your removal from your post. He was assured Dept knew of no basis for reports he had recd and that Dept was confident you wld not manifest any attitude which wld be prejudicial to Arg relations with Urug. He was told moreover that Amb Bruce had just written of his talks with you which indicated complete understanding and agreement between you two. In view these considerations Dept did not attribute sufficient importance to Bramuglia's comments to give you additional preoccupation by informing you. Dept was not at that time aware of facts reported in urtel 30,² which may have been a basis at least in part for reports recd by Bramuglia.

In view Dept confidence your services, it does not seem necessary or desirable to carry out investigation as you suggest. No press rep has made inquiry at Dept on this subject and Dept believes any official public statement wld give unnecessary weight to matter which might

¹ Telegram 33, February 19, from Montevideo, not printed.

² Not printed, but see telegram 31, February 18, from Montevideo, p. 783.

provoke controversy and undesirably affect your usefulness and US relations with Uruguay and Argentina more than official silence.³

ACHESON

³ In telegram 41, March 1, from Montevideo, not printed, Ambassador Briggs requested that the Department convey to the Uruguayan Ambassador (Domínguez Cápura) the substance of the message contained in Deptel 33, and added: "Such a message, reaching President Batlle Berres via his Ambassador, would undoubtedly be helpful to me." A marginal handwritten note indicates that Mr. H. H. Tewksbury, Chief of the Division of River Plate Affairs, spoke to the Ambassador on March 11, 1949. (123 Briggs, Ellis O.)

710. Consultation (4)/3-1849: Telegram

The Ambassador in Uruguay (Briggs) to the Secretary of State

SECRET

MONTEVIDEO, March 18, 1949—11 a. m.

71. In communications to President Uruguay, Ambassador Domínguez Cápura has expressed great satisfaction his conversations with Daniels last month and Secretary on March 15 re our interpretation Rio commitments.¹ President last evening read me Ambassador's report following Daniels' conversation February 24 and also cable from Ambassador to effect that Secretary had fully confirmed "Daniels interpretation."

President obviously much pleased and I gather correspondingly less apprehensive although he thereafter commented gloomy view on situation Paraguay and alleged Argentine pressure on Bolivia. He added no recent indication pressure on Uruguay but he apparently attributes this Peron's preoccupation domestic problems and redrafting constitution rather than change of heart across river.

Sent Department 71, pouched Rio, Buenos Aires, Santiago, Asuncion, La Paz.

BRIGGS

¹ The Secretary's memorandum of this conversation, dated March 15, 1949, not printed, said in part: "Ambassador [Domínguez Cápura] stated that he is entirely satisfied with the answers thus far given him by Mr. Daniels with respect to United States obligations under the 1947 Rio Treaty in any case of aggression.

"I told the Ambassador that Mr. Daniels had spoken to me of these conversations and that I was happy to ratify everything told him by Mr. Daniels." (711.33/3-1549)

123 Ravndal, Christian M.: Telegram

The Ambassador in Uruguay (Briggs) to the Secretary of State

TOP SECRET

MONTEVIDEO, May 6, 1949—9 p. m.

159. Saw President this evening (having previously seen FonMin¹) and communicated to both contents Deptel 113, May 5.² Batlle Berres

¹ Daniel Castellanos.

² This telegram informed Ambassador Briggs that he would be nominated Ambassador to Czechoslovakia and asked him to obtain Uruguayan consent to Christian M. Ravndal as his successor in Montevideo (123 Briggs, Ellis O.).

stated his concern lest change be result of pressure from Perón and declared he feared would in any case be widely so interpreted by his associates in Uruguayan Government. President spoke at some length along this line asserting that Argentine President although "frustrated by publicity" last February (Embtel 29, February 16² and subsequent correspondence) had not ceased activities seeking my removal.

I replied I knew nothing to confirm President's impression and emphasized that on contrary it was customary shortly after beginning new presidential term for numerous diplomatic changes to be made. Cited several already announced and said anticipated more might shortly be made known. To my knowledge therefore nothing whatever in any way unusual about my transfer. In answer to President's observation that change meant my successor might be instructed follow different policy or one less cordial or cooperative, declared was positive President could be at ease. I then referred to my successor stating we had been personal friends for many years. Ambassador Ravndal man highest character and ability, Spanish speaking, previous experience River Plate affairs, who had, moreover, occupied past two years position great responsibility and importance Department.⁴ Repeated that idea new Ambassador would represent different policy or that my transfer heralded any change of policy President could discount altogether.

When I asked President whether I could interpret our conversation in sense *agrément* granted, he said he did not want to appear lacking courtesy to my Government or to Mr. Ravndal, but that he would appreciate our allowing him to defer his response until he had communicated with Ambassador Domínguez Cápura and had received latter's reply.

I am personally distressed not to be able to report *agrément* granted. President worries over southern neighbor again at sensitive pitch: he mentioned activities very large Argentine delegation ILO conference;⁵ Perón's complaint over alleged discourtesy to correspondent at that conference (Embtel 157, May 6⁶) which President described as just one more example kind of persistent harassment to which constantly exposed; alleged renewal activities Argentine agents here; and increased contacts between Uruguayan opposition party and Perónistas including, according to President, lengthy recent talk between Perón and Herrerista leader. President obviously upset insisted that in light his "numerous messages and representations" to Department re Perón's efforts to have me removed could only place one interpretation on my transfer.

³ Not printed: but see Montevideo's telegram 31, February 18, 1949, p. 783 and telegram 33, to Montevideo, February 28, 1949, p. 787.

⁴ Christian M. Ravndal had been Director-General of the Foreign Service.

⁵ The Fourth Conference of American States Members of the International Labor Organization met at Montevideo from April 25 to May 8, 1949.

⁶ Not printed.

It is my suggestion that most satisfactory way to handle matter will be for the Secretary personally to reassure Domínguez Cámpora.⁷

BRIGGS

⁷ Telegram 117 to Montevideo, May 10, 1949, reported that Minister-Plenipotentiary of the Uruguayan Embassy Jose A. Mora "inquired Dept at request Amb Domínguez who is in NY and was reassured unequivocally (reurtel 159 May 6, 9 p. m.) consistent your reassurance Pres Batlle." (123 Ravndal, Christian M.)

123 Ravndal, Christian M. : Telegram

The Secretary of State to the Embassy in Uruguay

SECRET

WASHINGTON, May 19, 1949—7 p. m.

123. Pls deliver fol message from Secy to Pres :

I am pleased learn you have given *agrément* for appointment Hon Christian M. Ravndal as US Amb to Urug, succeeding Hon Ellis O. Briggs who will be appointed US Amb to Czeck. Please accept my personal assurances and those of President Truman which I convey herewith, that this change in no way represents alteration US policy with regard Uruguay but rather is part of rotation of a large number of diplomatic personnel. I wish reiterate assurances recently given your Amb Dr. Domínguez-Cámpora in conversations in Dept and confirmed by me on occasion first call on me by Amb.¹

I am sure you will find Mr. Ravndal most sympathetic and worthy your confidence. He has long been one of our most distinguished career officers.²

ACHESON

¹ On March 15, 1949. See footnote 1 to telegram 71 from Montevideo, March 18, 1949, p. 788.

² In telegram 180 from Montevideo, May 20, 1949, Ambassador Briggs reported: "President sincerely appreciative Secretary's message (Deptel 123, May 19) which most helpful present situation." (123 Ravndal, Christian M.) According to telegram 293 from Montevideo, August 6, 1949, Ambassador Briggs departed from Uruguay on that date (123 Briggs, Ellis O.). Ambassador Ravndal notified the Department in telegram 334, September 9, 1949, from Montevideo, that he had presented his credentials and assumed charge of the Embassy that same day (123 Ravndal, Christian M.).

733.00/6-649

Memorandum by Mr. R. Kenneth Oakley of the Division of River Plate Affairs

SECRET

[WASHINGTON,] June 23, 1949.

At the time of receiving an advance copy of Ambassador Briggs' despatch no. 254 of June 6, 1949¹ I was about to leave the office for

¹ Not printed.

an informal talk with Uruguayan Ambassador Domínguez Cámpora who had sought the meeting to discuss, among other things, "the different interpretation placed in Montevideo on the Secretary's message to President Batlle (Deptel 123 of May 19, 1949) from the interpretation given it by" Ambassador Domínguez. Ambassador Briggs' despatch under reference indicated that there probably exists in Uruguayan Government circles a slightly different interpretation of the Domínguez Cámpora-Daniels-Sanders-Dreier conversation about the interpretation of the Rio Treaty of 1947, than that understood in the Department as outlined in a memorandum of conversation of February 24, 1949. The Uruguayan understanding of our interpretation is that in the case of an armed attack, the US would give immediate assistance without waiting for a meeting of the Organ of Consultation. In other words, no reservation about Article 7 is understood to exist.

Accordingly, and with the concurrence of Mr. Atwood, I broached the matter with Ambassador Domínguez on the afternoon of June 15. He was much upset since he had placed much importance on what he thought was the complete understanding reached on this matter. I realized when I broached the matter that I was risking a disagreeable episode wherein the point of difference was relatively slight and concerning a matter which in some ways the Department preferred not to become too involved. However I considered that there was a greater risk in the possibility that a wrong interpretation involving an exaggerated responsibility on the part of the US might cause serious future difficulties, especially if such an interpretation should become more widely known. At any rate, I was convinced that, by raising the matter at my initiative and at the first moment a misunderstanding was suspected, I would at least clear us of any possible future charges of bad faith. The Uruguayan Ambassador has dealt with us in a most frank and honest manner and I am convinced we must do likewise.

Ambassador Domínguez Cámpora and I went over the entire conversation of February 24 and there was no question of any disagreement whatsoever except with regard to Article 7 of the Rio Treaty. I repeatedly made it quite [clear] that we in the State Department believe that Article 7 does definitely apply to cases of armed attack and that there might conceivably be some cases of armed attack in which it would be preferable to await a meeting of the Organ of Consultation before coming to the assistance of the victim in order to avoid a generalization of the conflict. The Ambassador insisted that Article 7 does not apply to cases of armed attack.

We agreed that the matter should be explored informally at greater length before considering any renewal of official conversations. There-

fore I discussed the matter with Messrs. Dreier and Jamison² of IA in order to be more certain of our position. With their agreement I returned to discuss the matter with Ambassador Domínguez Cápura on June 22. I insisted that in theory there might be a slight difference in interpretation of Article 7 but that the Uruguayans might be completely certain that in practice and in spirit we are thoroughly in accord. We believe that Article 7 does apply to cases of armed attack and cite the mention therein of call for cessation of hostilities. (The Ambassador said that there might be cases of hostilities not arising out of armed attack. Apparently he referred to such possible cases as border incidents in which hostilities begin almost accidentally.) I reiterated that our interpretation is that there might be cases in which assistance in meeting an armed attack might best await a meeting of the Organ of Consultation. I emphasized that my explanations were entirely unofficial.

I pointed out to the Ambassador, however, that the US at the Rio Conference had opposed Article 7 and had agreed thereto only when its amendment was accepted providing for the terminology "without prejudice to the right of self-defense in conformity with Article 51 of the Charter of the United Nations". (The Ambassador quotes a Pan-American Union report as authority for his interpretation that such self-defense is either individual or collective.) This, I stated, should be considered strong indication of the US attitude with regard to this Article. Furthermore, I understood our interpretation to be that the US would want to wait for consultation and the application of Article 7 only in such instances in which the effective defense of the victim of an armed attack would not be seriously prejudiced by such a wait. For example I gave him the hypothetical case of Bolivia attacking Paraguay in the Chaco jungle in an undisputed case of unprovoked armed attack. Assuming that Bolivia should take only a few square miles of territory of little apparent value and should be unlikely to make progress for several weeks, delay for a consultative meeting might avoid a "choosing of sides" and a generalization of the conflict. Thus the basic objective of peace might be realized. The Ambassador would not accept this thesis since he said that any attempt to judge the degree of dangerousness of any armed attack would nullify the spirit of the whole Treaty. He believed that the greatest deterrent to an unprovoked armed attack is the conviction by the would-be aggressor that such an attack would bring immediate and effective armed reprisal.

I believe I left the Ambassador in a reasonably calm state of mind although he is definitely not happy about this misunderstanding. Nevertheless he suggested and I agreed that he would not take it up

² Edward A. Jamison, Assistant Chief, Division of Special Inter-American Affairs.

on a formal basis with the State Department and would not mention it to the Government, at least at this time, if our Embassy in Uruguay likewise would not mention it to the Uruguayan authorities. However the Ambassador will seek an opportunity to discuss these matters informally with Messrs. Sanders and Dreier. Later he hopes to take up the whole thread of conversation concerning the interpretation of the Rio Treaty with Assistant Secretary Miller.³

³ United States obligations to Uruguay under the Inter-American Treaty of Reciprocal Assistance were among the subjects discussed by Ambassador Domínguez Cápura and Edward G. Miller, Assistant Secretary of State for Inter-American Affairs, on December 21 and 27, 1949 (memoranda not printed). On these occasions Mr. Miller did not go beyond the language of those assurances given earlier in the year 1949. (710.33/12-2149 and 711.33/12-2749)

811.244/6-2949 : Telegram

The Ambassador in Uruguay (Briggs) to the Secretary of State

CONFIDENTIAL

MONTEVIDEO, June 29, 1949—midnight.

PRIORITY

226. Swift and Company informed Embassy yesterday its bid to supply 10,500,000 pounds frozen beef to US armed forces in Germany had been accepted by Army Quartermaster. This is highly important piece business for Uruguay especially since dollar payment amount approximately 3 million involved.

Today Swift [informed?] Uruguayan government report that after bids were closed, a slightly lower Argentine bid was made and accepted.¹

If this true and Army had in fact already accepted Uruguayan bid, Department will well imagine extent of adverse impression in this country. President Uruguay has already expressed his concern and urgently bespeaks our good offices. Has already telegraphed Ambassador Domínguez Cápura.

Would appreciate receiving reply soonest.²

BRIGGS

¹ An *aide-mémoire* from the Secretary of State to Ambassador Dominguez Campora dated July 12, explained in some detail the exact bidding procedure for this contract; the bidding took place at the Army Quartermaster's Market Center in Chicago on June 24, June 27, and June 28 (811.244/7-1249).

² After a month of exchanges between U.S. and Uruguayan officials in both Washington and Montevideo, the Department of State and the Uruguayan Ministry of Foreign Relations issued a joint press release concerning the matter on Aug. 3. Differences over the meat contract were said to stem from "... unfortunate circumstances which were completely inadvertent"; and traditional cordial relations between the two governments were reaffirmed. For text of the statement, see Department of State *Bulletin*, August 22, 1949, p. 278.

Editorial Note

A Treaty of Friendship, Commerce, and Economic Development between the United States and Uruguay was signed at Montevideo on November 23, 1949. Formal negotiations began in Montevideo in March 1949 on the basis of a draft submitted by the United States. Among the changes secured by the Uruguayan representatives were modifications in those articles of the treaty that dealt with: expropriation; the application of exchange controls to withdrawals of earnings and capital; and the employment of professional people and technicians from one country in the other. At the request of Uruguay, articles in the draft that covered military service and the submission of certain commercial disputes to international arbitration were omitted entirely, as was a clause that would have tended to discourage legislation requiring participation of capital from the host country in business ventures begun by citizens or companies of the treaty partner. Uruguay introduced an additional article that encouraged tourism.

File 711.332 for 1948 and 1949 has further details of the treaty negotiation, together with successive drafts. The press announcement of the treaty's signature and a brief analysis of its contents are in the Department of State *Bulletin*, December 5, 1949, page 866a. For Secretary Acheson's press statement of November 30, 1949, and President Truman's letter to President Batlle Berres, released December 3, see *ibid.*, December 12, 1949, page 909. The treaty's text is contained *ibid.*, September 25, 1950, page 502. (This text has one error; numbered sections of what is printed as Article X should be headed, "Article XI".)

On January 13, 1950, President Truman submitted the treaty to the United States Senate, which gave its advice and consent to ratification on August 9 of that year. The Uruguayan Parliament has not approved the treaty, which has therefore not gone into effect. File 611.334 has documentation on the treaty for the period after its signature.

VENEZUELA

POLITICAL RELATIONS OF THE UNITED STATES AND VENEZUELA

831.6363/1-2749

The Ambassador in Venezuela (Donnelly) to the Secretary of State

TOP SECRET

CARACAS, January 27, 1949

No. 56

SIR: I have the honor to report that the security survey of the petroleum industry in Venezuela directed by the National Security Council has now been conducted. The complete report,¹ with recommendations, will be prepared in Washington, D.C. and immediately made available to the Department.

Messrs. James W. Coulter, Reuben E. Peterson and Paul L. Hopper, who were specially assigned to the Department of State to make this survey, arrived in Venezuela on November 21, 1948, as the Department was previously advised. They were personally introduced by a member of the Embassy staff to the officials of all the oil companies operating in this country, and they explained directly to these officials the scope of their survey and the action which would be requested of the oil companies on the basis of their recommendations. Mr. Coulter made specific mention to each of the companies visited that the survey was being conducted under the direction of the Secretary of State on the authorization of the National Security Council; that its purpose was to appraise the present security of the oil producing, transporting and refining facilities in Venezuela so far as they concerned the national interests of the United States; that the information furnished by the companies would be held in strict confidence by the survey team and its dissemination restricted within the United States Government, the companies to feel free to single out any material not for dissemination; and that the recommendations made would be carried out by the companies voluntarily, and in accordance with their own individual judgment. The assistance of the oil companies in arranging the field survey was requested and was in all cases readily granted, including the British directed Shell Caribbean Petroleum Company and its affiliates.

I arranged to introduce the members of the survey team to the Minister of Fomento, Dr. Juan Pablo Perez Alfonso, on November 23,

¹ Not printed.

1948. The situation created by the military coup of November 24, 1948² made it inadvisable to make a direct introduction of the visiting experts to officials of the new Military Junta of Government but toward the middle of December, the opportunity was presented to make informal mention of their mission, which I did, meeting with a co-operative response. A few days later, Dr. Eduardo Acosta of the Ministry of Fomento was assigned to accompany the visitors in the field, and he remained with them from January 2, 1949 until their return to Caracas.

In as much as considerable preliminary work was necessary in Caracas in order to gather up-to-date data from the oil companies and to plan the field survey effectively, the two weeks following the coup were occupied by the survey team at the capital. On December 10, 1948 they flew to Curacao to undertake the survey of the refinery installations there and at Aruba and, proceeding by tanker from the latter place on December 30, 1948, they were able to get a first hand picture of the Lake Maracaibo bar and the sea transport route for oil from the Maracaibo basin.

The work of the team in the western oil fields around the Maracaibo basin and the eastern oil fields south and west of Puerto de la Cruz was conducted between January 2-22, 1949, at which time they returned to Caracas. They have gathered a large volume of material for their report and have discussed directly with the field officers of the various oil companies the problem of defending the vital oil installations of Venezuela against aggression from within or without the country. On January 24, 1949, they visited the Minister of Fomento, Dr. Pedro Aguerrevere, and received from him a demonstration of friendly interest and support, without any specific discussion of the views which the present government may take concerning their work or their recommendations. The discussion entered into by Dr. Aguerrevere on this occasion is the subject of another despatch from this Embassy, No. 58, dated January 28, 1949.³

The team departed on the following day, January 25, 1949, by air for Washington.

The members of the security survey team impressed me as well equipped by experience and training for their mission, Although I have had no opportunity to observe their work in the field, and the results of same are not yet available, I am advised by a member of the staff that the overall impression made by them on oil company officials was one of competence and seriousness. The unforeseen delay in com-

² For documentation on the *coup d'état* and the question of maintenance of diplomatic relations with Venezuela, see *Foreign Relations*, 1948, vol. ix, pp. 126 ff.

³ Not printed.

mencing the survey after their arrival, due entirely to the political crisis and its aftermath, did not hinder the ultimate attainment of their objective and they demonstrated good spirit in putting up with the many inconveniences which this occasioned.

As the Department is aware, this survey has had my very strong personal interest and backing, since I regard the problem of security in the strategic oil industry in Venezuela as one of primary importance to this Embassy and our Government. The recent general strike in the Maracaibo area has again demonstrated the difficult and vulnerable position occupied by the oil industry and underlines that its domestic dangers, between labor strife and political unsettlement, merit equal consideration from the security viewpoint with external dangers of a military nature. For these reasons I have endeavored to give this survey the strongest possible backing and impetus and I await the results with close concern.

A copy of the complete report is expected by this Embassy, which will carefully review it and pass the applicable sections to the interested companies and the Venezuelan Government.⁴

Respectfully yours,

WALTER J. DONNELLY

⁴ Department of State instruction No. 95, June 16, 1949, not printed, indicated to the Embassy in Caracas those recommendations of the Security Survey Team on which the Embassy was to initiate action (831.6363/6-1649). Documentation on the implementation of the recommendations is contained in Department of State file 831.6363.

831.001 Gallegos, Rómulo/2-749

President Truman to the Former President of Venezuela (Gallegos)

WASHINGTON, February 3, 1949.

MY DEAR FRIEND: I have been sincerely moved by your letter of December fifteenth.¹ The overthrow of the Government over which you presided came as a great shock to me, and I have personally concerned myself with this question from the beginning.

I am happy you have accepted the sincere statements issued by our Department of State² regarding the non-participation in the *coup d'état* of American interests or of officials of this Government, and I wish to reiterate these assurances to you personally at this time. It was considerate of you to make public your acceptance of these explanation.

¹ Not printed, but see the summary contained in telegram S10, December 18, 1948, from Habana, in *Foreign Relations*, 1948, vol. ix, p. 149.

² For the Department's statement of December 10 with regard to this issue, see telegram 511, *ibid.*, p. 143.

I believe that the use of force to effect political change is not only deplorable but also inconsistent with the ideals of the American peoples. The Government of the United States intends to do everything possible, consistent with its international obligations to strengthen democratic forces in this hemisphere.

This concern has been brought to the attention of the Governments of the other American Republics and their advice solicited in determining what steps can properly be taken to encourage democratic and constitutional procedures in the Americas. A number of constructive replies have been received. In order that the position of this Government should be made clear to people both in this country and in the other American nations, as already had been done with their Governments, a statement on this subject was made public on December 21, 1948.³

In your letter you suggested that the recognition of the present *de facto* Government of Venezuela by the United States would undo the work of the Good Neighbor Policy and would constitute acquiescence in the violation of right by force.

The possibility of withholding recognition was very carefully considered from all points of view, and it was my opinion and that of my advisers that it was not the course best adapted to achieve the ends which you and I both heartily desire. Since the administration of President Jefferson it had been the general policy of this Government, with certain exceptions, to maintain diplomatic relations with whatever Government held control of the administrative machinery of any state, provided it was both able and willing to carry out its international obligations and gave reasonable evidence of stability. It has not been and is not now the intention of this Government to pass judgment upon the internal arrangements of other Governments. We do not intend that resumption of relations with any particular American Republic should be taken as such a judgment. This principle met with wide acceptance among the other Republics of the hemisphere and was incorporated in a resolution unanimously adopted by all the American States at the Ninth Inter-American Conference at Bogotá in 1948.⁴

This Government, furthermore, is of the opinion that nonrecognition is seldom, if ever, effective in bringing about the broader aim of strengthening democratic governments. I feel that the United States can make its influence in favor of democratic procedures felt more effectively if diplomatic relations can be maintained with all the governments of the hemisphere. The American Republics probably can

³ Text in Department of State *Bulletin*, January 2, 1949, p. 30.

⁴ Reference is to Resolution XXXV of that Conference; text in *Foreign Relations*, 1948, vol. ix, p. 98.

work together most effectively for hemisphere solidarity if they utilize, among other means, the continuing interchange made possible through normal diplomatic channels.

I have mentioned only a few of the reasons which led to the conclusion that it would be best for the United States to resume diplomatic relations with Venezuela. Instructions were issued to our Ambassador in Caracas to take the necessary steps on January 21.⁵ We did not intend by this step to imply approval of the means by which that Government came into existence. I wish to assure you that we will continue searching for ways and means by which we can contribute to the strengthening of democratic institutions which, I firmly believe, embody the aspirations of the peoples of Latin America just as surely as they do those of the people of the United States.

I realize, of course, that our action in extending recognition to the Junta of Government in Venezuela may have come as a disappointment to you, and I am sorry that this is so. I want to assure you, however, of my continuing friendship and admiration for you and of my desire to act always in the best interests of the Western Hemisphere.

Sincerely yours,

HARRY S. TRUMAN

⁵ See telegram 12, January 13, 1949, to Caracas, *Foreign Relations*, 1948, vol. ix, p. 151.

831.001 Gallegos, Rómulo/5-649

Memorandum by the Deputy Under Secretary of State (Rusk) to Mr. William D. Hassett, Secretary to President Truman

[WASHINGTON,] June 2, 1949.

A telegram has been received from former President Rómulo Gallegos of Venezuela criticizing the activities of our delegation at the United Nations General Assembly¹ and the Government delegation to the Regional ILO Conference at Montevideo.² Ex-President Gallegos states that the activities of our delegations in connection with the consideration of human and labor rights problems in Venezuela do not correspond with the policies set forth in the President's letter to him dated February 3, 1949. The original and a translation of President Gallegos' telegram are attached.³

The facts are that the Uruguayan delegation at the General Assembly proposed to place the question of human rights in Venezuela before

¹ The Second Part of the Third Regular Session of the U.N. General Assembly was held from April 5 to May 18, 1949.

² The Fourth Conference of American States Members of the International Labor Organization met at Montevideo from April 25 to May 8, 1949.

³ Dated May 6, 1949, not printed.

that body. The Department of State instructed our delegation to point out to the Uruguayans that discussion at that time in the General Assembly of the charges against Venezuela would play into the hands of the Soviet bloc and might produce an undignified squabble among the Latin American nations. It was also pointed out that an appeal to the United Nations seemed undesirable without first attempting to settle the matter within the inter-American family of nations.

As a result of discussions with the United States and other delegations at Lake Success, and in view of the action of the Venezuelan Government in releasing prisoners,⁴ the Uruguayans decided not to bring up the human rights question for the present. They have announced their future actions will depend upon the eventual release of all prisoners by the Venezuelan Government.

Ex-President Gallegos is now undoubtedly aware that his information regarding the views of our delegation at the Montevideo Conference was incorrect, since we voted in favor of a resolution recommending that the Governing Body of the ILO authorize the Director General to ascertain the facts regarding allegations concerning labor union conditions in Venezuela and Peru.⁵

It is felt that a reply should be made to President Gallegos, since it is desired to keep his good will in view of his influence in important political circles in Latin America and the possibility that he may some day regain influence inside Venezuela. Also to be considered is his personal acquaintance with the President based on his visit last July.⁶

At the same time, it would not be desirable to go into detail in replying to him since the full facts could not be revealed without embarrassing both the Uruguayan and the Venezuelan Governments.

⁴ Department telegram 135, April 29, 1949, to Caracas (not printed), said in part that the United States intended to make clear that it was up to the Venezuelan Government, by an early release of prisoners, to forestall General Assembly consideration of this issue. The telegram stated also that should Uruguay insist on a vote to place the prisoner question on the Assembly's agenda, the United States would probably vote in favor, consistent with the U.S. stand on human rights cases which had arisen within other countries. (831.00/4-2849) For documentation on other cases, see "Efforts by the United States To Assure Fulfillment of the Human Rights Articles of the Treaties of Peace with Bulgaria, Hungary and Rumania", volume v.

⁵ Department telegram 108, May 2, 1949, to Montevideo (not printed), instructed the U.S. Government delegation to abstain if the resolution contained language that acknowledged the allegations of imprisonment for legitimate labor union activity to be facts (501.RA/4-3049). In despatch No. 208, May 11, from Montevideo, not printed, Ellis O. Briggs, Ambassador to Uruguay and U.S. Government delegate to the Conference, reported that after the resolution was amended to exclude such language the U.S. Government and Worker delegates voted in its favor. The U.S. Employer delegate abstained. The text of the resolution as amended is enclosed with the despatch (501.RA/5-1149).

⁶ For documentation on the visit, see *Foreign Relations*, 1948, vol. ix, pp. 761-764.

It is therefore recommended that the attached brief letter ⁷ be sent to ex-President Gallegos over President Truman's signature. If the President signs a letter to former President Gallegos, it is requested that it be returned to the State Department for forwarding to Gallegos through Ambassador Butler in Havana.

DEAN RUSK

⁷ In his brief reply of June 3, 1949 to ex-President Gallegos, not printed, President Truman said that U.S. Government delegations at international organizations would continue to strive for the effective advancement of democratic ideals (S31.001 Gallegos, Rómulo/5-649).

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